



Daily Report

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Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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Hong Kong

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General

Reportage Continues on World Law Conference

Tian Jin Views Human Rights

OW2404154590 Beijing XINHUA in English
1429 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—National sovereignty is a prerequisite for human rights, a senior Chinese jurist said here today.

Tian Jin, a member of the United Nation's sub-commission for the prevention of discrimination and protection of minorities, was presenting a paper to the ongoing Beijing international law conference.

Following the release of Tian's paper at the conference's panel discussion on human rights there was a heated debate and discussion among many other jurists from a dozen countries and regions.

In different countries, Tian said, there exists a disparity in the level of economic development and great divergences in political systems, social structure, legal institutions, nationality, cultural heritage, religion and historical background.

All this can not help but affect the way they deal with major issues, including human rights. To insist on uniformity in such a regard, he went on, will amount to imposing a specific political system, ideology or perspective of human rights on other countries, which is in contradiction to the principle of mutual respect and equality among nations and, therefore, is untenable.

Each country has to identify, codify and implement human rights by adopting legislative, judicial and administrative measures based on its national conditions, said Tian, who is a former Chinese ambassador to Switzerland.

He said he believed that human rights mainly fall within the domestic jurisdiction of states and the principle of non-interference in the internal affairs of other states, as a fundamental principle of international law, logically applies to matters of human rights.

Decision-making bodies in a few countries have intervened in entirely domestic matters of other countries, Tian pointed out. They make accusations at will, and even adopt resolutions and sanctions.

To contend that human rights supersede national sovereignty is without any foundation in international law. In fact, some people exploit human rights to serve their political intention to exert pressure and impose their own ideology on other countries, he said. Actually, this is an expression of power politics.

The developing countries stress collective rights as rights of survival, of self-determination of nations, of sovereignty over natural wealth and resources, and the right to development, the jurist said.

They also seek a change in international economic relations and an alteration of the North-South imbalance. Tian continued, to create better external conditions for people in developing countries to enjoy their economic, social and cultural, as well as civil and political, rights.

Following Tian's exposition, Indian Attorney General S.J. Sorabjee said that, due to differences in culture, politics and economy, every country has its own concept of human rights.

No one should impose the concept of human rights in his own country at a certain stage of development on another country which is at a different stage of development, he said.

Meanwhile, Professor Ved P. Nanda from the United States said that the right to development is a kind of inalienable human right stipulated in the UN "Declaration on the Right to Development", which was adopted about nine years ago.

Jurists all over the world should put more effort into ensuring the right to development of all countries, the professor said.

Human Rights Issue Upheld

HK2504025590 Hong Kong SOUTH CHINA
MORNING POST in English 25 Apr 90 p 13

[By John Kohut in Beijing]

[Text] Foreign legal experts yesterday rejected China's insistence that individual human rights must always be strictly subordinate to the interests of the state, and that there can never be international human rights standards.

"On the basics of human rights there is no lack of clarity," said Dr Ved Nanda, professor of law at the University of Denver. "Not even society, not even the state can take away rights that belong to one as an individual", said Dr Nanda, addressing hundreds of Chinese and foreign lawyers, judges, academics and other legal experts attending a week-long Law of the World Conference.

Archbishop Ernesto Gallina, representing the Holy See, lashed out against the violation of human rights by totalitarian regimes, which he said robbed man of his freedom and dignity.

Ironically, the law conference is being held in the Great Hall of the People, adjacent to Tiananmen Square, the focal point of last spring's student movement and its subsequent suppression, which caused an international outcry for its violation of human rights.

After the June crackdown, thousands of people were arrested on grounds of counter-revolutionary activities and many are still being held today without trial.

Criticism of any one country was not allowed during the two-hour session on human rights and there was no mention of last June's killings in Beijing or of the arrests that followed.

But China's policy on human rights—outlined in a paper by Mr Tian Jin, a professor at China's Foreign Affairs College and a member of the United Nations sub-committee on the protection of minorities—was criticised indirectly by virtually every speaker.

"Since national conditions are different, various countries have different ideas about human rights," according to Mr Tian, whose paper was delivered by a colleague. Civil and political rights, such as freedom of speech and of assembly, "should not be detached from the situation of a country".

He insisted that Western notions of human rights did not apply to Third World countries, whose priorities include developing their economies, guarding their national right to self-determination, and fighting off "foreign subversion".

It was "not practical or realistic" to seek unanimity on human rights standards, he said. However, said Dr Nanda, "some human rights can not be sacrificed even for the sake of the state", such as the right not to be tortured or "be put in prison and forgotten about".

He noted that many developing countries had recognised the need to respect human rights, such as the right of individuals to participate in government. Without respect for that right, economic development might be hampered, he said.

Archbishop Gallina spoke in defense of religious freedom, which he called the "most noble aspect of human rights". He did not mention the arrest in China several months ago of Chinese Catholic clerics loyal to the Vatican, but his comments implied criticism of the Chinese Government.

"There is a grave contradiction in totalitarian regimes, especially those based on a so-called message," Archbishop Gallina said. "In the name of justice, they steal what is most precious to man—his dignity, his freedom".

He decried "the excessive development of the state, implacable economic laws, and the refusal of moral aspects which are the essence of human beings."

"All human rights are closely linked. It's impossible to abolish some of them as the price for other rights," he said.

"The rights of man know no (national) boundaries. The freedom of expression is universal," said Mr Itzhak Nener, former president of the Israeli Bar Association.

China, in contrast, insists that any criticism of one country's human rights record by another constitutes interference in internal affairs.

Chinese attending the meeting responded to the foreign speakers with polite applause.

Dr Nanda said he and other foreign guests attending the conference would speak informally with Chinese colleagues about human rights in China, but the issue would not be approached publicly.

Ni Zhengyu Views Law Exchanges

OW2404193690 Beijing XINHUA in English
1342 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—Judge of the International Court of Justice [ICJ] Ni Zhengyu said here today that the international law conference now being held in Beijing is significant for promoting exchanges in jurisprudence between China and the rest of the world, and for China's construction of its legal system as well.

"Every country has a different legal system and each of them has good points and bad points. So peace and development through law can only be realized through exchanges," said 84-year-old Ni.

Ni, the first Chinese judge elected to the International Court of Justice five years ago, made these remarks this afternoon during an interview in the capital hotel.

Up to now, basic state laws including the constitution, criminal law and procedural law have already been promulgated in China. "So, China is not backward in legislation," Ni commented.

According to him, legislation should be based on actual needs, and coordinated with the development of other social aspects.

Ni is to serve at the International Court of Justice for another four years. Before this, he served as an international law advisor to China's Foreign Ministry. "China's legal community is now able to conduct equal exchanges with its foreign counterparts," he said.

Ni returned from Holland specifically for the Beijing conference. He was accompanied by President of the International Court of Justice Jose Maria Ruda.

Ren Jianxin Meets Foreign Justices

OW2404200590 Beijing XINHUA in English
1047 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—Ren Jianxin, president of China's Supreme People's Court, today met with and hosted a luncheon for the incumbent or former chief justices and presidents of higher courts from over 20 countries.

The guests are here attending the on-going 14th Conference on the Law of the World. Among the guests were

Chairman of the "World Peace Through Law Center", Charles S. Rhyne and his wife.

Ji Pengfei Hosts Delegates

OW2404200790 Beijing XINHUA in English
1023 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—Ji Pengfei, director of the Hong Kong and Macao Affairs Office of the State Council, today met and hosted a dinner for Hong Kong and Macao legal professionals attending the ongoing 14th Conference on the Law of the World.

UNICEF To Provide Aid To Develop Education

OW2004224090 Beijing XINHUA in English
1403 GMT 20 Apr 90

[Text] Yinchuan, April 20 (XINHUA)—The United Nations Children's Fund (UNICEF) will provide China with 15 million U.S. dollars in aid to develop education in 21 remote and poverty-stricken provinces.

The funds will be used to build a satellite education network in 26 counties inhabited by ethnic minority groups and train 25,000 primary and secondary school teachers.

SHIJIE ZHISHI Views U.S.-Japan Trade

HK2304151090 Beijing SHIJIE ZHISHI in Chinese
No 7, 1 Apr 90 pp 10-11

[Article by Chen Dezha0 (7115 1795 3564): "U.S.-Japanese Trade Conflicts As Viewed from Kaifu's Visit to the United States"]

[Text] New problems have cropped up in the existing trade imbalance, negotiations on structural problems are in a stalemate, and the "Super 301" Trade Bill is likely to lead to U.S. retaliation on Japan in trade. The U.S.-Japanese trade conflicts will continue in the 1990's.

New Problems Surfacing in the Serious Trade Imbalance

Hardly had Toshiki Kaifu time to organize his cabinet when he was reelected Prime Minister in the House of Councillors election last 18 February, than U.S. President Bush personally telephoned him with an invitation to visit the United States at dawn on 24 February. Two rounds of talks were held on 2 and 3 March in Palm Springs, California. It is rare in Japanese history for a prime minister to set out for a hurried summit meeting after having just been elected.

The U.S.-Japanese conflicts have tended toward becoming intense in recent years. It should be pointed out that such intensity surfaced precisely when U.S. trade deficits had shrunk in consecutive years. According to statistics published by the U.S. Department of Commerce, the 1989 U.S. trade deficit was \$108.58 billion, down by 8.4 percent from the \$118.53 billion in 1988; and in 1988, the trade deficit was cut back by 22.1 percent from 1987. In 1989,

the U.S. unfavorable balance in trade with Japan was \$49 billion, a \$2.79 billion cutback from the \$51.79 billion in 1988. Americans have pointed out that the pace was slow in narrowing the trade imbalance between the two countries and helped very little in changing the critical U.S.-Japanese trade imbalance. To the eyes of many Americans, there is not much difference between \$49 billion and \$51.79 billion. However, there are more profound causes in the U.S.-Japanese trade conflicts.

Comparing 1989 and 1988, we found the absolute volume of U.S. unfavorable balance in trade with Japan was cut back somewhat but its relative ratio went up. In 1988, the total U.S. unfavorable trade balance was \$118.53 billion and, with Japan specifically, it was \$51.79 billion, accounting for 43.7 percent. The respective figures for 1989 were \$108.58 billion, \$49 billion, and 45.1 percent.

The Japanese believe that a two-digit growth took place in Japan's imports for three consecutive years, while its trade profits continuously diminished over the same period. Whereas the Americans said that the cutback in Japan's trade profits owed chiefly to its export cutbacks with other countries, with an increase in imports. It was precisely by relying on voluminous U.S. export surpluses that relaxed the trade conflicts between Japan and those countries. If no solution is found to the U.S. trade deficit, with approximately half of it being unfavorable trade with Japan, it will be very difficult to further cut back the U.S. unfavorable trade balance. Under such circumstances, the long existing U.S.-Japanese trade imbalance has become all the more acute.

Besides, both to the United States and Japan, a further solution to the trade imbalance is of greater significance than ever. Large-scale U.S.-Japanese trade wars have taken place on several occasions over the past 20 or 30 years and relaxation was achieved only because the two sides made concessions. The problem today is that the gap between the two sides remains great in farm produce and forest products. Moreover, the United States is gradually losing its original advantages in hi-tech products. With Japanese hi-tech products swarming the U.S. market, it can be very difficult for U.S. products with competitive advantages to enter the Japanese market, such as in super computers and telecommunications satellites. Elsewhere, U.S. super computers account for 86 percent of the market but they account for only 23 percent of the Japanese market. It can be rather difficult for the United States to rely on conventional exports alone to cut back the unfavorable trade balance with its hi-tech products failing to find their way into the Japanese market. At the recent U.S.-Japanese summit, Bush came straight to the point presenting the issues of high-quality electronic computers, satellites, and timber, requiring the Japanese side to further open its domestic market. The Japanese press said that "that was quite beyond Japan's expectation." The U.S. impatience in dealing with this issue has revealed the weight of hi-tech products in U.S.-Japanese trade relations.

Structural Problems Make Themselves Keenly Felt with Each Passing Day

In recent years, both the United States and Japan have attached increasingly great importance to the effects of the so-called structural problems in the dislocation of trade. From the U.S. angle this signifies that Japan must change some basic commercial practices which bar U.S. commodities from entering the Japanese market, implement the anti-trust law, break through such bondage to the retail distribution system as the peculiar relations between retail stores and the wholesale system and small "Mom and Pop" stores. Today, an increasingly greater number of American economists believe that the complicated marketing system is the chief barrier to foreign commodities entering the Japanese market. In Japan, there are generally more than two wholesale links between producers and retailers. Large wholesalers do business with small wholesalers, while the latter provide preferential treatment of sorts to retailers. It would be very difficult for foreign businessmen to make their way into such a system. Besides, the United States believes that Japan should increase public spending and citizens' consumption to increase import demand. From Japan's angle, finding a solution to structural problems means that the United States must improve its own trade structure by cutting back its huge budgetary deficits. Some Western analysts even believe that a solution to structural problems has become a "key factor" to solving the conflicts in U.S.-Japanese trade.

At the Paris Summit last July, the United States and Japan agreed to conduct official negotiations on the economic structure to relax their conflicts. They have, to date, negotiated on three occasions, in the course of which the United States set forth that Japan's structural problems lay chiefly in its savings and investment patterns, land utilization, traditional exclusiveness in trade, and price mechanism. Japan set forth such U.S. structural problems as savings, enterprise management, and research and exploitation. No progress has been made in negotiations because all these issues involve many basic issues in each economy. When the news spread that the third round of negotiations on structural issues concluded with failure in Tokyo on 23 February, many U.S. congressmen demanded economic sanctions against Japan. Based on the "Comprehensive Trade Act," if no prompt solution is found to this issue, it is possible that Japan will be listed as a priority target to be slashed by the United States before 30 April and receive U.S. economic sanctions within a few months.

The "Super 301" Bill and Economic Sanctions Against Japan

The United States passed a "Comprehensive Trade Act" in 1988, based on the 1974 Trade Act with major revisions. Clause 301 in the original trade act stipulated that the U.S. President had the authority to conduct talks or exercise retaliation on unfair trade behavior by a foreign country. In the new trade act, this presidential authority is conferred on the U.S. Trade Representative,

who will determine what countries have conducted discriminatory and injurious trade behavior against the United States. If such unfair trade barriers are not removed through talks, the United States will adopt retaliatory measures. The U.S. Trade Representative must determine the "list of priority countries" that have conducted unfair trade with the United States by the end of May each year. Because this bill is a revision of Clause 301, it is thus called the "Super 301" Bill.

As soon as the Bill was made public, Japan believed that it targeted Japan, pressing Japan to make concessions. In early June 1989, when U.S. Trade Representative Carla Hills announced that the U.S. Government had already ascertained that "unfair trade behavior" existed on the part of Japan against the United States in the categories of telecommunications satellites, super computers, and timber products. Therefore, when it was on the list of priority countries conducting "unfair trade" against the United States, Japan believed its aforesaid views had been realized.

Today, an increasingly greater number of Americans are anxious about the momentum of Japan's economic expansion. Moreover, mid-term elections will be held in the United States this year and such U.S. public sentiment is likely to urge the U.S. administration to take retaliatory action against Japan in trade. All this accounts for the hurried summit.

Mutual Dependence and Contention

In his speech delivered when the summit concluded, Kaifu said: "Trade imbalance between the two countries is very grave and we should continue to exert greater efforts" to reduce such imbalance. He added that Japan would place this issue on top priority for consideration. Bush told reporters: "We have got all that we had hoped for in the just concluded meeting. Obviously, there are things we should do; beyond a doubt, there are also things Japan must do."

At present, U.S.-Japanese economic relations are in mutual dependence and contention; there are conflicts between them, while various forms of cooperation are conducted. The era of Japan leaning on the United States economically has long gone. The Japanese press said not long ago that if Japan stopped exporting semi-conductors to the United States, "it would be impossible for the United States to operate its aircraft and guided missiles." To some extent, this has reflected the changes in U.S.-Japanese economic relations. Although the two sides expressed their satisfaction at the results of the Sino-Japanese summit, "neither of the two has specifically explained in what way they are to relax the strained bilateral trade relation." Even if such strained relations are not further intensified in the near future, it remains a question as to to what degree the United States will make Japan concede. The 1990's is likely to remain a decade of strained U.S.-Japanese economic relations.

Soviet Foreign Minister's U.S. Trip Viewed

HK2404072390 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 16, 16 Apr 90, p 28

["Special Dispatch from Washington" by Huai Chengbo (2037 2052 3134): "On Soviet Foreign Minister's Visit to the United States"]

[Text] Through the talks between Soviet Foreign Minister Shevardnadze and U.S. Secretary of State Baker from 4 to 6 April in Washington, it was decided that the presidents of the two countries would hold top-level talks between 30 May and 3 June.

In early December last year, U.S. President Bush and Soviet President Gorbachev decided in their informal talks in Malta that they would hold official talks in the United States in late spring or early summer this year where they would sign the treaty about reducing 50 percent of the strategic weapons on each side. However, the recent foreign minister talks did not make any breakthrough in removing the final obstacle to the conclusion of the treaty on reducing strategic weapons. In addition, new obstacles appeared on other issues. Therefore, the two sides decided to hold another round of foreign minister talks in the Soviet Union from 15 to 19 May in order to complete the preparations for the summit meeting.

After the end of the Washington talks, the two sides separately held press conferences. When mentioning the talks on controlling strategic weapons, Shevardnadze said that the existing problems were "difficult and knotty," while Baker described the results as "disappointing." The results of the talks showed that the path leading to the U.S.-Soviet summit meeting would not be as smooth as people used to expect. Then, what major obstacles will the two sides have to overcome?

The first is the Lithuania issue. After the Malta talks, more and more people inside the decision-making circles in the United States felt that due to the huge changes in Eastern Europe and the centrifugal tendency in the Warsaw Pact, the present status of the Soviet Union as a superpower can hardly compare with what it was in the past; and Gorbachev's personal position was also being weakened as he was plagued by the domestic troubles. Intending to more intensively pursue the strategy of "peaceful evolution," they held that the United States should be more aggressive in forging ahead by taking advantage of the favorable conditions and should do something to accelerate the split and disintegration of the Soviet Union. The breakthrough can be made in Lithuania. The United States declared that the three Baltic republics were "illegally annexed" by the Soviet Union according to the 1940 Soviet-German treaty, and the U.S. government has never recognized this. On 11 March this year, the Supreme Soviet of Lithuania declared Lithuania's "independence" from the Soviet Union. After that, Bush and his senior aides repeatedly indicated openly and in private that if the Soviet Union used military force against Lithuania, then U.S.-Soviet relations would be endangered. During the recent talks, the U.S. side continued to exert pressure on the Soviet side. Baker placed

the Lithuania issue at the primary position in the agenda of the talks; and when meeting with Shevardnadze, Bush pointed out with mincing words that if Moscow suppresses Lithuania, the established plan for the summit meeting will be affected. Mitchell and Dole, leaders of the two parties in the Senate, went to the Soviet Embassy to meet with Shevardnadze and showed him the "tough" position of the congressmen.

The Soviet government has repeatedly stated that the Lithuania issue is purely an internal affair of the Soviet Union, and the Soviet government will adopt any measures that it regards as necessary. It also indicated that the problem will be solved through dialogue with the Lithuanian leaders within the scope prescribed by the Soviet Constitution. In a CNN interview, the spokesman for the Soviet Foreign Ministry said that the Soviet Union is a union and Lithuania belongs to this union. He pointed out that many countries in the world are faced with separatist problems. France has the problem of Corsica, Spain has the problem of Basque, and India, Nigeria, and the Philippines also have similar problems. No country likes to see the separatist problem. After meeting with Bush, Shevardnadze told the press that "we did not dodge this issue in our discussion, because we have a clear conscience toward the people in Lithuania and toward the entire Soviet people. We are ready to discuss this issue with any people on any occasion."

The second obstacle comes from the issue of the air-based and sea-based cruise missiles in the talks on reducing strategic weapons. At the press conferences, Baker said that the two sides could not reach agreement on this issue and had to continue their discussion. Shevardnadze said that the differences in the talks on reducing strategic weapons were related to the security interests of the Soviet Union, and he hoped that the two sides would find a "compromise solution."

The issue of air-based and sea-based missiles has always been one of the toughest issue in the talks on reducing strategic weapons. The joint statement issued by the Soviet Union and the United States after the Moscow talks last February said that "good progress" was made on the issue of sea-based cruise missiles and that both sides agree to handle this issue in a political declaration with the political binding force parallel to the "Treaty on Reducing Strategic Weapons," with the details being discussed by the negotiators of both sides. WASHINGTON POST quoted a senior U.S. official by saying that in the recent talks, the Soviet side's position "obviously stepped backward." Now, there is no more than one month before the opening of the U.S.-Soviet summit talks. It seems that the two sides have no sufficient confidence in whether this obstacle can be removed before the opening of the summit meeting.

The third is the issue concerning the political and military position of Germany after its reunification. The United States holds that the post-reunification Germany should remain a member of NATO, but the Soviet Union maintains that Germany should become neutral

after its reunification. Baker told the press that Shevardnadze also admitted in private that neutrality would not be "the best path" that Germany should take, but Shevardnadze did not openly affirm this. At the press conference, Shevardnadze said: "In the talks, we heard of the viewpoint of including the reunited Germany in NATO, but we were not convinced." He said: The Soviet Union holds that the existing two military-political alliances should be gradually changed into a new European security system, which will be a non-bloc collective structure. In the future, Germany and other countries will all be incorporated in this structure. Before that, we may try to allow Germany to keep a dual capacity—it may be a member of both NATO and the Warsaw Pact.

United States & Canada

Most-Favored-Nation Status, Treatment Discussed

Commentator Urges Relations

HK2504112190 Beijing GUOJI SHANGBAO in Chinese
14 Apr 90 p 1

[Commentator's article: "There Should Not Be a Big Retrogression in Sino-U.S. Economic and Trade Relations"]

[Text] Since the establishment of diplomatic relations in 1979, China and the United States have given each other the most-favored-nation treatment in accordance with the Sino-U.S. Agreement on Trade Relations, which was signed in 1979 and went into effect in February 1980. Since then, the bilateral economic and trade relations has entered a new period of vigorous development.

Trade between the two countries reached a record \$12.25 billion in 1989, about 11 times higher than the \$990 million of 1978, a year before diplomatic relations were established. At the end of 1989, there were 949 American-invested projects in China, with a pledged investment of \$4.1 billion and paid-in capital of \$1.8 billion in the fields of petroleum, coal, power, telecommunications, manufacturing industry, mining and tourism. Industrialists and businessmen of our country have also channeled more than \$300 million in the United States to set up more than 200 projects, of which there were 79 nontrade projects. Obviously, the United States has already become one of China's important trade and cooperation partners and markets in both countries are essential and helpful to their enterprises.

However, according to U.S. news media, some U.S. Congressmen have recently engaged in a manoeuvre aimed at suspending or abolishing the most-favored-nation treatment for China. This cannot but arouse grave concerns among the Chinese people. The most-favored-nation treatment plays a very important role in the development of the economic and trade relations between the two countries. If the United States suspends the most-favored-nation treatment for China, this will lead to a major setback in Sino-U.S. economic

and trade relations. This will certainly cause serious damage to the economic interests of both countries and inevitably affect the political relations between the two countries. Such a situation should not appear and we are not willing to see it.

As is well known to all, it has not come easily that Sino-U.S. economic and trade relations have developed to such an extent. This is the result of painstaking efforts made by governments and economic and trade circles of the two countries over the past decade or so after overcoming numerous difficulties. In spite of various disputes and twists, the Sino-U.S. economic and trade relations are generally satisfactory, which politicians and entrepreneurs in the two countries should cherish. It must be seen that the most-favored-nation treatment provides the foundation for the development of Sino-U.S. economic and trade relations and the rudimentary conditions for the establishment of a new international economic order. Such treatment is essential to both China and the United States and is mutually beneficial. The suspension or revocation of the most-favored-nation treatment would mean a great waste of the mutual efforts made over the past decade. This runs counter not only to the immediate interests of entrepreneurs of China and the United States and also to the long-term interests of the people of the two countries.

As a developing socialist country, China has a huge market of 1.1 billion people, and its political stability and economic prosperity prove decisive in the economic development and peace in the Asian and Pacific region as well as in the whole world. Just because of this, people with breadth of vision in the West unanimously pointed out that we should not "isolate" China, but should continue to vigorously develop economic and trade relations with China. Nevertheless, since the second half of 1989, the United States has taken the lead in imposing various "economic sanctions" against China, which have already damaged the developing bilateral relations. We hope that U.S. Congressmen will take a long-term view, make more efforts to promote the development of Sino-U.S. economic and trade relations instead of placing roadblocks, and make more contributions to the long-term and friendly cooperation between the two countries.

Suspension Consequences Viewed

HK2504092890 Hong Kong WEN WEI PO in Chinese
25 Apr 90 p 2

["Special Article" by Commentator of the Economic Research Department of the Hong Kong and Macao Management Office of the Bank of China: "United States Suspending China's Most-Favored-Nation Status Will Inevitably Cause Serious Consequences"]

[Text] Some U.S. congressmen are stepping up their activities in an attempt to put forward a motion on suspending China's most-favored-nation status when the question of whether this preferential treatment to China should be prolonged is discussed in the U.S. Congress, before it is

adjourned in early June. Although they have piled up some points justifying their motion, the arguments are all untenable. If their motion is passed, it will inevitably cause a series of serious and destructive consequences, including major retrogression in Sino-U.S. relations and adverse influence over economic and trade relations between China and the United States and between Hong Kong and the United States. Not only will China and Hong Kong be harmed, but the U.S. side will also bear the serious political and economic consequences.

In order to maintain order in international trade and promote trade relations, most developed countries are willing to give preferential tariff treatment to the imported goods from various countries. According to GATT, trade between all signatory nations enjoys a favorable tariff; for the imports from developing countries, there is the Generalized Preferential System which does not require reciprocal tariff arrangements; for developing countries which are not signatories of GATT, each GATT signatory nation can give them the most-favored-nation status or arrange a reciprocal tariff according to the most-favored-nation treatment. It was based on this final point that China and the United States arranged their reciprocal tariff treatment 10 years ago. However, the United States always took the duty it should fulfill as favor-bestowing. So it attached some special terms to the tariff arrangements according to its own needs, and reviewed the arrangement every year before deciding whether to prolong their validity.

This time, the U.S. congressmen who are trying to abolish China's most-favored-nation status have been collecting "gun shells" mainly in the field of human rights which constitute one of the terms attached to the most-favored-nation treatment. The "human rights report" submitted by the U.S. Department of State provided them with one of the best "gun shells." The report attacked China at great length by describing how human rights were violated in China and citing examples from the 4 June incident and the action to quell riots in Tibet to birth control, the 48-hour work system, and even the issuance of identity certificates. The last three policies and systems are in fact generally pursued by many countries in the world and have been implemented in China for many years. They are completely irrelevant to the human rights issue, and absolutely cannot be used as evidence of violating human rights. As for the 4 June incident, the report was full of such ambiguous terms as "it is possible that," "it was said that," "according to informed sources," "according to unconfirmed reports," and so on, thus showing a rather irresponsible attitude. In fact, even though people may hold different opinions and comments on the 4 June incident, it is completely unreasonable to further escalate the so-called economic sanctions against China by suspending China's most-favored-nation status on the grounds of this incident that occurred almost one year ago as China has lifted martial law for several months and has continuously released those who were arrested. This will not help the development of the events in a favorable orientation.

Some people in the United States who are trying to terminate the most-favored-nation treatment to China have found another point to support their idea. That is, China enjoys a huge surplus in its trade with the United States. According to statistics by the U.S. Department of Commerce, in 1989, the volume of U.S. exports to China amounted to \$5.8 billion, while the imports from China amounted to \$12 billion. That is, the U.S. side encountered a deficit of \$6.18 billion in its trade with China, which marked an increase of 77 percent over the 1988 deficit of \$3.5 billion. The U.S. Department of Commerce also expected that the U.S. trade deficit against China would increase to \$9 billion this year, and would further increase next year. China would then become the country enjoying the second largest trade surplus against the United States next to Japan. However, that was merely the description of trade imbalance by the U.S. side alone. According to China's statistics, the 1989 trade volume between the two sides was \$12.249 billion. Of this total amount, the exports from the Chinese side amounted to \$4.386 billion and the exports from the U.S. side amounted to \$7.863 billion. Thus, the Chinese side suffered a deficit of \$3.477 billion in its trade with the United States. It was the U.S. side that held a more favorable position in the bilateral trade. There was such a wide gap between the two sides' statistics because their statistical methods were different. When collecting export statistics, both sides only counted up the goods directly exported to the other side; but when collecting import statistics, the goods being imported via the other side in entrepot trade were often included. Moreover, the methods of evaluation used by the two sides were also different. The export goods were recorded according to their FOB prices, but the import goods were recorded according to their CIF prices. Due to these differences, the trade statistics collected by the two sides could never be commensurate with each other, and this has brought about prolonged disputes between the two sides over their bilateral trade. So far, no consensus of opinion could be reached on solving this problem. The differences between the two sides on the trade issue should be solved, but they should only be solved through consultation. If one side decided to terminate the most-favored-nation treatment to the other side merely according to its own statistics, this would be a kind of serious reprisal rarely seen in international trade, and it would be an arbitrary practice of not treating the trade partner equally.

Some people in the United States are trying to terminate the most-favored-nation treatment to China on some completely untenable grounds, but if their attempt should succeed, the consequences would be extremely serious.

The reciprocal trade arrangements certainly serve the purpose of promoting trade relations, and such arrangements are also based on the development of friendly relations between the two countries and indicate the determination of both sides to cherish and further advance their friendly relations. If one side unilaterally decides to suspend the most-favored-nation status of the other side, this at least indicates an obvious change in its

attitude toward the development of relations between the two sides. At present, when differences exist between China and the United States, if the United States indeed takes such an action, this will not only completely frustrate the efforts made by both governments in the previous period to improve their relations, but will also further deepen their differences and worsen their relations. We have every reason to expect that once the U.S. side takes this action, China will inevitably take corresponding countermeasures, and such an exchange of reprisals will only result in major retrogression in Sino-U.S. relations.

The reciprocal trade arrangements between China and the United States have played a substantial role in promoting the two countries' trade relations. This was mainly reflected in the great development of bilateral trade. According to China's statistics, in the past 10 years since the reciprocal trade arrangements were made, the volume of bilateral trade has multiplied five times; that is, the trade volume increased by an annual average of 17.5 percent. Should China's most-favored-nation status be taken away and China adopt countermeasures, Sino-U.S. trade would encounter destructive effects and both sides would suffer heavy losses.

After the most-favored-nation status is suspended, China would have to pay a standard tariff rate two to eight times as high as that it used to pay according to the current favorable rate for its goods exported to the United States. That is to say, China would have to pay an additional amount of over \$1 billion to cover the tariff for the same quantity of goods as those exported to the United States last year. Then, the competitiveness of the Chinese goods would be greatly weakened. This would, of course, cause heavy losses to China. On the other hand, as China is one of the major suppliers of such consumer goods as garments, toys, and footwear, and Chinese goods are rather inexpensive, if the tariffs imposed on the Chinese goods are raised, then the United States may have to seek other suppliers to replace the Chinese goods, or the American consumers will have to pay a much higher price for these goods.

If China loses its most-favored-nation status, the reciprocal trade arrangements between China and the United States will certainly collapse as a whole. This will obviously be unfavorable to the U.S. export to China. Admittedly, the U.S. exports to China account for merely a small proportion of the total exports of the United States, but according to the structure of the commodities exported by the United States to China, the prospects of Sino-U.S. trade are comparatively brighter than those in other aspects. Among the commodities exported by the United States to China, grain accounts for the largest proportion and it is followed by energy equipment, communications equipment, and transport equipment. These are all materials indispensable to a country, and there is a stable demand for these export commodities from the United States. However, if Sino-U.S. trade relations are undermined, the United States not only loses the opportunity for expanding the export of these

commodities, but its existing market may also be taken over by other exporters. In the long run, it will suffer substantial losses.

Along with the development of Sino-U.S. relations and the continuing advances of China's reform and opening up, economic relations between China and the United States should develop to a more sophisticated realm than trade. According to China's official statistics, by mid-1989, the projects with direct U.S. investment in China numbered 647, and the funds involved in these investment projects amounted to \$2.398 billion. That is, the United States constituted the second largest source of foreign investment in China next to Hong Kong and Macao. The U.S. investments were mainly related to some long-term and large-scale manufacturing projects. Of course, for the American companies, their investment in China accounted for merely a small proportion of their overseas investment and business turnover, but the investment in China was regarded by them as a kind of strategic investment, because they considered China as the center of gravity in the Asia-Pacific region with the greatest economic potential in the world and they intended to accumulate experience through such tentative investment projects in order to make preparations for making investment in China on a large scale in the future. At present, most companies with investment in China have brought their business there onto the orbit of normal operation, and some of them have achieved rather successful results. It is generally believed that a new upsurge of U.S. investment in China will appear soon. In such circumstances, if the United States suspends the most-favored-nation treatment to China thus impairing trade and economic relations between the two countries, the investment atmosphere will certainly be impaired too. On the part of China, this will, of course, affect the process of inviting more foreign investment to a certain extent, but there is no lack of alternative investors from other countries. On the part of the United States, it will suffer losses in many aspects. That is, the American enterprises that have made investment in China may be bogged down in the predicament because their products manufactured in China and transported to the United States will lose the favorable tariff treatment, and they may be forced to shelve their plans to expand investment in China and their overall investment strategies may thus be affected. China has been markedly improving its investment environment, and investments from other countries and regions are just pouring into China in large amounts. If the United States takes such a move, it will just draw itself out of this investment market with good potential.

It should be pointed out that if the United States suspends China's most-favored-nation status, Hong Kong will also be exposed to the adverse influence, and trade relations between Hong Kong and the United States will also suffer serious losses.

According to the Hong Kong Government's statistics, last year, the Chinese goods being exported to the United States via Hong Kong in the form of entrepot trade were

valued at 65.993 billion Hong Kong dollars (or \$8.46 billion), accounting for 91.6 of all the goods in transit to the United States through Hong Kong, accounting for 35 percent of the total value of the Chinese goods being exported to a third country via Hong Kong through entrepot trade, and accounting for 19 percent of the total value of all merchandise in transit through Hong Kong. One of the reasons why such a huge volume of Chinese goods was exported to the United States through Hong Kong was that such transit trade would bring about a 16 percent gross profit to the traders in Hong Kong. More importantly, most products manufactured by the Hong Kong companies in the Chinese mainland were exported in the form of entrepot trade via Hong Kong, and were thus included in the above-listed statistics. Even if only 57.7 percent of the Chinese products being exported to the United States through entrepot trade via Hong Kong were manufactured by Hong Kong companies on the mainland with the remaining 42.3 percent of the Chinese products in transit being purely manufactured by China itself, then the value of the first category of goods by Hong Kong manufacturers would still reach 38.1 billion Hong Kong dollars (or \$4.88 billion). (In fact, the actual figure was much larger, because almost all products manufactured by Hong Kong companies on the mainland were exported through Hong Kong.)

On the other hand, last year, American goods with a total value of 10.265 Hong Kong dollars were also reexported to China through Hong Kong, and they accounted for 46 percent of the total value of American goods being exported to a third country through entrepot trade via Hong Kong. If the entrepot trade mentioned above loses preferential tariff treatments, the consequences will be reflected in the following possibilities: First, several hundred companies involved in trade with China and the United States may go bankrupt. Second, entrepot trade in Hong Kong may shrink and Hong Kong's overall economic growth may be affected. According to the gross profits in the dealing of Chinese goods, should the volume of entrepot trade between China and the United States via Hong Kong decreased by 25 percent, the losses in gross profits would lower the growth rate of Hong Kong's gross domestic production by 0.5 percent points. Third, some industries with close relations with entrepot trade, including the transport, storage, banking, and insurance industries, may be forced into a recession because they have less business to do. Fourth, Hong Kong manufacturers which conduct production in China will suffer heavy losses, because their products directly exported from China to the United States cannot enjoy preferential tariff treatment, and their products reexported via Hong Kong through entrepot trade can neither continue to enjoy preferential tariff treatment due to the origin of these products. Thus, the competitiveness of their products may be greatly weakened.

It should be pointed out that if the Hong Kong economy and Hong Kong-U.S. trade are adversely affected, the interests of the United States will also be impaired.

For the United States, Hong Kong is a major base for trade and investment in the Asia-Pacific region. Last year, Hong Kong imported American goods with a total value of 46.234 billion Hong Kong dollars. Hong Kong is a region that imports the most American goods in terms of the per capita figure. As for the aspect of investment, according to the data provided by the U.S. General Consulate in Hong Kong, there are more than 900 American companies in Hong Kong with a total investment of over \$6 billion. The American companies in Hong Kong are involved in a wide scope of commercial activities. Many of them set their regional headquarters in Hong Kong. According to the contents of their business, about 85 percent of these companies are related to the Chinese market. The United States also has a huge size of financial business in Hong Kong. The number of American banks in Hong Kong is merely next to that of Japanese banks among other foreign banks. The securities companies and insurance companies owned by Americans are also very active in business. In the manufacturing industry, American investment has been holding the leading position among investments by other countries for many years. A survey showed that by the end of 1988, the American investment amounted to 8.907 billion Hong Kong dollars. The business results of most American enterprises in Hong Kong are rather successful. This was also proved by the fact that more and more investors continued to come to Hong Kong in the past few years. In fact, when most executive heads of the American companies inspected the business of their Hong Kong branches, they indicated that they attached importance to their business in Hong Kong and would expand their business in Hong Kong. However, all this was based on Hong Kong's economic prosperity and on good relations between Hong Kong and the United States and between China and the United States. Therefore, if the foundation for all this is weakened by the United States' suspension of China's most-favored-nation status, then the business prospects of the American companies will also become dismal, and those with relations with the Chinese market will unavoidably suffer losses. The banking business related to entrepot trade will shrink. The economic slowdown will also affect Hong Kong's capital construction, and the American companies which hope to get more business from Hong Kong's huge construction program will also see their hopes fall through. In addition, if the Hong Kong economy and Hong Kong's export and reexport to the United States are affected, Hong Kong's demand for American goods and its ability to import American products will also be weakened. As a result, the United States will not only be forced to withdraw from the Chinese market with a population of 1.1 billion people, but will also lose many useful opportunities in Hong Kong, which is the trade, finance, and shipping center in the Asia-Pacific region.

The Chinese Government attaches great importance to and deeply cherishes friendly relations with the United States, and hopes that such relations will healthily develop further and further. The people of insight in the United States both inside and outside the U.S. Government have also repeatedly advised those who attempt to undermine

the friendly relationship with China. They particularly pointed out that China can play a stabilizing role in peace and development in Asia, in the Far East, and in the whole world and that isolating China is not in the strategic interests of the United States. The destructive effects of the suspension of China's most-favored-nation status in Sino-U.S. economic and trade relations will also be felt in all other fields, and they will not just cause a partial problem. The effects will be long-lasting rather than temporary. The major retrogression in economic relations will certainly lead to major retrogression in political relations. Moreover, this move will also go against the constant idea of the United States to keep Hong Kong stable and prosperous. Therefore, such a move which will harm the interests of all parties concerned and on which both China and Hong Kong have expressed deep concern and strong opposition should be checked by the U.S. authorities with sensibility.

Article Views Correct Understanding of Capitalism

HK2004135790 Beijing RENMIN RIBAO in Chinese
18 Apr 90 p 3

["Special Interview" by staff reporter Liu Guochang (0491 0948 2490): "Have a Correct Understanding of the Capitalist System—an Interview with Bi Jilong, Professor of Beijing University and President of the United Nations Association of China"]

[Text] The socialist system and the capitalist system are two objective realities in the world today. Which of them is superior, and which is inferior? What are their respective prospects? Originally, this was not hard for the Chinese people, who have been nurtured by Marxism-Leninism for many years, to understand. However, in recent years, it suddenly became a question hard to understand for some people, especially some young people. Some people do not have full confidence in socialism but have blind faith in capitalism. Although there are not many people who are living under socialism but are yet appreciating capitalism, this problem should still be treated seriously. There are many reasons for the occurrence of this problem. A main reason is that they do not understand or have some misunderstanding of the capitalist system and are not good at making analysis and comparison. Therefore, in order to solve this problem, it is necessary to invite some people who have studied and have a profound understanding of the capitalist system to give lectures to the young people. Some days ago, this reporter had an interview with Bi Jilong, professor of Beijing University and president of the United Nations Association of China. We talked about this matter.

Mr Bi Jilong is a senior diplomat in our country. In the 1940's, he studied at George Washington University of the United States. From 1979 to 1985, he was deputy secretary-general of the United Nations. Since 1985, he has been president of the United Nations Association of China. In 1986 and 1987, he went to the United States twice. Besides, he often attends all kinds of international meetings in a personal capacity.

Revered Mr Bi is a kind old man over 70. With grey hair on the temples, he still looks healthy and full of vigor. When he knew what this reporter had come for, he accepted the interview with pleasure. On that morning, when there was a bright sunshine and gentle breeze, we began our conversation in his peaceful study.

The revered Mr Bi sat on a sofa and spoke slowly and clearly:

"In these years, more and more students have gone to study in the United States. I have also contacted some of them. Most of them have never been to the United States before. Since they have stayed there for only a short period of time, they do not quite understand that country. My general impression is that they have comparatively shallow and one-sided understanding of the United States. They generally held that the United States is great. It has a rich material life and people have freedom. The capitalist system is fresh to them. In short, they have affirmed many things in that society but have not made a profound study of it. That is why there are limitations in their understanding. They admire the United States. Some even have a blind faith in it. Although they do not say that "the moon looks more beautiful in other countries than in China," they feel that the United States is better than China and China should pursue the American style."

He continued: "In a certain sense, material life in the United States is comparatively rich, because it has a history of capitalism for more than 200 years. Its science and technology are well developed and it has been in a superior position in production and trade. However, this is but one aspect of things. In my understanding, and this is also the view of some Chinese who have been in the United States for a longer time, the U.S. society is not so good. Are the people in the United States all rich people? Do they all have real freedom? Is it true that its system is so good? Does it suit China's national situation? All these questions merit our careful consideration. It will take some time for a Chinese to understand the U.S. society, but one should not admire it or even have blind faith in it."

How To Correctly Understand the Prosperity of the United States

The revered Mr Bi said: "How do we correctly understand the prosperity of the United States? Essentially speaking, where did such prosperity come from? There are two reasons for this prosperity: 1) The prosperity has basically come from the accumulations of the exploiting system. People, including some who have blind faith in the United States, can see that not all the people in the United States are rich. Judging from the situation of some middle class people whom I have contacted, about 1/3 of their income go to rent and interest while another 1/3 go to taxes. Thus, they have only a small sum of money left. Now some people are admiring the life of common American people. For example, they have houses and cars. As a matter of fact, these are all basic living conditions for them. In order to obtain these basic conditions, most Americans have to pay

high costs. As the prices and rent of houses in urban areas are very high, many people, though working in the urban areas, have to live in faraway suburbs. The rent in the suburbs is lower, but they are not as convenient as in the urban areas. Moreover, people living there have to pay more traffic fees. Many people are feeling vexed because of this.

"The rent of a flat for a small family in the urban area, having only a sitting room and a bedroom, is as high as more than \$1,000 a month. It is by no means a good house, but belongs to the medium and lower class. The middle class people usually buy houses, or even buy cars, refrigerators, and clothes, in installments. Some low-income staffs, such as shop assistants and office staff, cannot dress casually at work. That is why they have to buy clothes in installments. In other words, what they are living in, using, and dressing, are not necessarily things belonging to themselves. For this reason, many people have a sense of insecurity in their daily life. Instead, they feel very nervous, for fear that they may become jobless and homeless someday and have nothing at all in the future.

"In order to maintain their basic living conditions, the Americans have often 'anticipated their incomes.' In fact, there are not so many people who are really rich enough to enjoy this kind of martial life and pay for such living conditions. Most people are relying on the system of hire purchase, that is, to buy things in installments or to obtain loans. Thus, they have to pay very high interest. In the U.S. society as a whole, its market and economy are, to a great extent, maintained by this method. The current situation of the United States is: The rich are becoming richer while the poor becoming poorer. The gap between rich and poor is getting bigger and bigger. The middle class relies on borrowing, and poor people can be seen everywhere. Now, an increasing number of people are living under the poverty line. We can often see unemployed workers, vagrants, beggars, and prostitutes in the streets. The big gap between rich and poor is a special phenomenon under capitalism. This is also the real situation of the so-called prosperity of the United States."

Referring to the second reason, our revered Mr Bi said: "2) The prosperity has come from plunder. In the earlier stage, they plundered others through war and aggression. Later, they did the same through business and unequal exchange or through investment in foreign countries for profits. But now it is difficult for them to do so. As a result of competition and unbalanced development among various countries, the economic position of the United States today cannot be compared with that of the past. It was a creditor state in the past, but now becomes a debtor state. The tertiary industry is well developed in the United States, but it cannot be exported. That is why there is a big unfavorable balance in its foreign trade. The United States, which was in an extremely flourishing time after the World War II, is now on the decline. Of course, it is also making certain 'government interference' in the current stage, and some policy-makers are urging 'reform' and 'readjustment' in the United States. However, their difficulties are increasing. Many people of insight are not optimistic about the future of the U.S. economy."

How To Correctly Understand the "Freedom" and "Democracy" in the United States

On the question of "freedom," the revered Mr Bi said: "On this question, we must also make an analysis. In the United States, the rich and the poor do not have the same freedom. For example, the black people cannot buy or rent houses in some areas. Moreover, there are 'underworld gangs' in that country. Before liberation, there were the 'red gang' and the 'green gang' in China, specializing in drug trafficking, running brothels, and doing evils. There are similar phenomena in the United States now. The underworld gangs there are engaged in drug trafficking and running casinos. Kennedy was killed long ago, but even to this day, the murderer is still unknown. Many people believe that he was killed by the 'underworld gang.' The protection of personal property and rights basically depends on how much money one has to obtain effective means. For example, the rich people can afford to go to law against others, but the poor cannot. The common people are afraid of doing so. The expenses for participating in election campaign are very high. Common people dare not even to touch it."

On the question of "democracy," the revered Mr Bi said: "In the U.S. Congress, the congressmen are all representing the interests and will of their own states. If the bill of a certain state is not accepted by other states, if a state wants other states to accept its bill, then they have to make a deal. This relationship of making a deal has been formed for a long time. For the interests of their own companies or social groups, some bosses or social group leaders often spend large sums of money on their activities to affect the Congress so that the Congress may support or oppose a certain bill. Such are the so-called "outside-the Congress group" activities, which, as everyone knows, are special products of the United States."

About Social and Family Life of the United States

Referring to social and family life in the United States, the revered Mr. Bi said: When I was in the United States, I contacted some people. But I found that most of them did not have a common target, did not have the spirit of making progress. Some people had only their personal interests in mind and lacked mental or spiritual ballast. Some even seldom read newspapers or books. Some families only subscribed to certain local papers, and they mainly looked at advertisements.

Regarding their family life, revered Mr Bi said that the loads for some people in the United States are very heavy. The expenses for studying in college or university are very high. Generally speaking, a student has to pay more than \$10,000 a year in order to study in a local university or more than \$20,000 for studying in a famous university outside his own state. Life of university professors is also hard.

Then our revered Mr Bi made a briefing on the life of some people in the U.S. society. He said that several kinds of people in the United States are leading a hard

life. This may be unexpected to some people in our country. The first kind is old people. As they do not live together with their children, when they are sick, nobody takes care of them. Some even died unknown to anybody for as long as one month's time. When the weather is fine, we can see many old people sitting in the parks. The second kind is sick people. In the United States, due to the high medical charges, sick people are really miserable. They dare not even think of asking someone to take care of them. For this reason, despite their difficulties, some people are still forced to buy "medical insurance." However, even such insurance does not mean to pay everything. Quite a few charges have to be paid by the patients themselves. The third kind is poor people. Now in New York, there are more than 10,000 homeless people. They can not but wander about from place to place. Besides, there are also the disabled and orphans. Their life is even harder. What they can do is to beg their bread in street.

"Be Full of Confidence in Socialist China"

During the interview, our revered Mr Bi took great interest in various subjects and kept on talking without a break. Finally he made a summary as follows: At present, some people in our country have a blind faith in the capitalist system and are admiring the United States. This is mainly because that they do not understand the real situation of our country and the United States. He said that the United States has been developing for more than 200 years. In this course, there was a stage of accumulation and development. Now the peak time of its development is over. New China, however, has only a history of 40 years. The basis for its development is quite different. Yet, the great achievements we have made over the past 40 years are attracting worldwide attention. Great changes have taken place in Beijing, and in the whole country! Our great achievements are recognized and admired by the whole world. We must have full confidence in our socialist system and our motherland. After the "4 June" disturbance last year, some Western countries took sanctions against us. But actually they can do nothing to harm us! In the 1950's, they resorted to "blockade" against us, but we were not defeated. Now that we have a better economic basis and the experience of self-reliance and independence, no sanction or pressure can daunt us. We must be confident of this. As to the rich material life, as we have already made brilliant achievements, this problem will surely be solved in the course of reform and opening up and in the course of self-improvement of socialism. I believe we can solve this problem better than other countries under capitalism. We can also do better in our spiritual life. The road of "all-round westernization" cannot be successful. Of course, there is another problem, that is, it is still necessary for us to study the advanced and applicable science and technologies and management experience of other countries. We must not close our country but must widen our field of vision. However, we must be "mentally prepared" not to be deceived by some superficial phenomena and things that are apparently right but actually wrong.

After the conversation with our revered Mr Bi, I had a deeper understanding of the saying that "one learns more from a talk with a learned man than from reading books for 10 years." I understood better that the capitalist system is on the decline while our socialist China is becoming more and more prosperous just like the rising sun. Although we have difficulties and may encounter setbacks on our road of advance, we have boundless prospects and our future is bright! We must be fully confident that we will win! Dear readers and friends, I believe you will all agree with this after reading this article.

Li Ruihan Meets Visiting U.S. Executive

OW2304182190 Beijing XINHUA in English
1025 GMT 23 Apr 90

[Text] Beijing, April 23 (XINHUA)—Li Ruihan, standing committee member of the Political Bureau of the Chinese Communist Party Central Committee, met with Carl E. Lindholm, executive vice president of the Motorola Inc. of the United States, and his party here this afternoon.

Soviet Union

Reportage Continues on Li Peng's Four-Day Visit

LIAOWANG Views Visit

HK2404112690 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 17, 23 Apr 90, p 3

[Article by Bao Guangren (7637 1639 0088): "A visit of Great Significance"]

[Text] At the invitation of the Soviet Government, Premier Li Peng will pay an official visit to the Soviet Union from 23 to 26 April. This will be a return visit after Soviet leader Gorbachev's visit to China last May. It will be another major step in building good-neighborly and friendly relations between the two countries in the new period since Chairman Deng Xiaoping and President Gorbachev shook hands in the Great Hall of the People in Beijing on 16 May last year and indicated the "end of the past" and the "opening of the future" in relations between the two countries. This will also be a visit of great significance and will be of great and positive significance for maintaining peace in Asia and in the world. Therefore, it will certainly attract international attention.

The Soviet Union is a neighboring country of China and the two countries share a border of over 7,000 km. One is the country with the largest population in the world and the other is the country with the largest territory in the world. However, leaders of these two neighboring countries have rarely exchanged visits during the past 30 years. In November 1964, Premier Zhou Enlai led a Chinese party and government delegation to visit the

Soviet Union and participate in the activities of celebrating the anniversary of the October Revolution. He also held talks with the then Soviet leaders. Since then, no head of the Chinese Government has ever set foot on the soil of the Soviet Union. Therefore, Premier Li Peng's visit will mark the first visit by a Chinese premier to the Soviet Union for the past 25 years.

In the late 1940's and early 1950's, Li Peng studied in the Soviet Union. In March 1985, Comrade Li Peng led a Chinese Government delegation in his capacity as vice premier to attend Soviet leader Chernenko's funeral, where he met with Gorbachev. He told Gorbachev that the improvement of Sino-Soviet relations was of great importance. Gorbachev indicated that he also hoped to see substantial improvement in Soviet-Chinese relations.

The Soviet side has attached great importance to Premier Li Peng's visit. On 15 March, at the first press conference after being elected the first president of the Soviet Union, Gorbachev said that the visit by the PRC State Council Premier Li Peng to the Soviet Union will be an "important event" and will "give a new impetus" to the mutual relations between the two countries formed since his visit to China last year. He stressed that the Soviet Union "highly values this relationship, attaches great importance to it, and will make all efforts to continuously advance it." He pointed out that during the visit by the Chinese premier the two sides will discuss many issues, including bilateral relations and the situation in the Asia-Pacific region.

The Chinese side has also attached great importance to this visit. On 27 March, when meeting with some Soviet reporters, Premier Li Peng said that he was looking forward to widely exchanging opinions with the Soviet leaders on bilateral relations between China and the Soviet Union, especially the expansion and development of economic cooperation between the two countries, and on some international issues of common interest. He said: "I hope that through this visit the development of relations between the two countries in various fields will be further promoted." He also said that as far as the overall state of Sino-Soviet relations is concerned, it should be pointed out that such relations are developing in a positive orientation.

On 4 April, when answering questions from Soviet reporters, Premier Li Peng once again indicated that China is willing to further develop relations with the Soviet Union in the political, economic, cultural, scientific, and educational fields on the basis of the five principles for peaceful coexistence. The development of good-neighborly and friendly relations between China and the Soviet Union will be in the interests of both peoples and will also be favorable to peace in Asia and in the world.

Last May, China and the Soviet Union decided to establish a new type of state-to-state relations on the basis of the five principles for peaceful coexistence. Such

relations will be different from the confrontational relationship of the 1960's and 1970's and will also be different from the allied relations in the 1950's. China and the Soviet Union thus bade farewell to the past and entered a new period of building good-neighborly and friendly relations.

During the past year, as Premier Li Peng said, Sino-Soviet relations have continued to develop in a positive orientation. The volume of trade between the two countries increased from \$2.46 billion in 1988 to \$3 billion in 1989. The volume of border trade between the two countries has also increased annually and each side has steadily increased cities opened to the other side. The Soviet Union has become China's fifth largest trade partner. In the cultural and educational fields, in 1989, 600 Chinese students and scholars went to study in the Soviet Union and the Soviet Union sent 320 student and scholars to study in China. However, in 1983, the two sides only exchanged 10 students. In 1989, eight institutions of higher learning and 11 art organizations on both sides established relations for friendly exchanges. China held scientific and technological exhibitions and art exhibitions in the Soviet Union and a Chinese-Soviet joint venture has even opened the Beijing Restaurant in Moscow. The two sides have also widened the scope of exchanges of visits and more higher-ranking people have visited each other. Last year, Lukyanov, first deputy chairman of the USSR Supreme Soviet, and the Soviet trade minister separately visited China. Chinese Vice Premier Tian Jiyun also visited the Soviet Union. Representatives from trade unions, women's federations, and communist youth leagues in the two countries also exchanged visits. In the aspect of party-to-party relations, last September, Zhu Liang, director of the CPC Central International Liaison Department, visited the Soviet Union. After that, Falin [3127 2651], director of the International Department of the CPSU Central Committee, visited China. On 2 April this year, at the invitation of the Soviet Ministry of National Defense, Song Wen, director of the Foreign Affairs Bureau of the Chinese Ministry of National Defense, visited the Soviet Union.

In the course of "opening up the future" both sides will have to do a great deal of work. It is believed that China and the Soviet Union will further develop good-neighborly and friendly relations between these two great countries on the basis of the five principles for peaceful coexistence and will promote the traditional friendship between the two peoples. Premier Li Peng's official visit to the Soviet Union will certainly give an impetus to the development of Sino-Soviet relations along a more healthy course.

Discusses Ties With Gorbachev

OW2404174990 Beijing XINHUA in English
1733 GMT 24 Apr 90

[Text] Moscow, April 24 (XINHUA)—Mikhail Gorbachev, Soviet Communist Party general secretary and

president, met Li Peng, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee and premier of the State Council, at his office in the Kremlin today.

Gorbachev recalled his visit to China last May, saying that the Soviet-Chinese relations have made much progress and have entered a new phase since the normalization of bilateral ties last May. He extended his warm welcome to Premier Li and said that Premier Li's current visit will surely further push forward the development of the relations.

Gorbachev also briefed Premier Li on the process of the Soviet reforms.

On his part, Premier Li briefed Gorbachev on the political stability, sustained economic development and the on-going reforms in China.

Li Peng said that economic and trade cooperation between China and the Soviet Union has good foundation and broad prospect and that the two countries have their own strong points and can complement each other.

The two leaders also exchanged views on the development of cooperation in the political, economic, scientific and cultural areas, and agreed that the two nations increase personnel exchanges in various fields, including the exchange of leaders of the two armies.

They also discussed the issues in the international and regional situation, stressing that the state-to-state relations should be based on the principles of mutual respect and non-interference in other's internal affairs.

The meeting lasted two hours and a quarter in a cordial, friendly and constructive atmosphere.

Chinese Foreign Minister Qian Qichen, Chinese Ambassador to the Soviet Union Yu Hongliang; Soviet Foreign Minister Eduard Shevardnadze, Soviet ambassador to China, Oleg Troyanovsky, were present at the meeting.

After the meeting, Premier Li and his wife were entertained to a lunch by President Gorbachev and his wife.

Holds Talks With Ryzhov

*OW2404192290 Beijing XINHUA in English
1911 GMT 24 Apr 90*

[Text] Moscow, April 24 (XINHUA)—Chinese Premier Li Peng and Soviet Premier Nikolay Ryzhkov held their second round of formal talks in the Kremlin today.

Premier Li detailed to Ryzhkov the economic construction and reform underway in China.

The Soviet premier, on his part, briefed Li Peng on the economic development in his country and his blueprint for economic reform.

Premier Li, on behalf of the Chinese Government and in his own name, invited Ryzhkov to visit China at a time

convenient to him. Ryzhkov thanked Li Peng for the invitation and accepted it with pleasure.

The two leaders also discussed other issues of common interest.

Both expressed their satisfaction over the outcome of the talks and regarded such talks as constructive.

Signs Cooperative Agreements

*OW2404160390 Beijing XINHUA in English
1532 GMT 24 Apr 90*

[Text] Moscow, April 24 (XINHUA)—A signing ceremony of six government agreements between China and the Soviet Union was held at the Red Hall in the Kremlin this afternoon.

Two agreements were signed by Chinese Premier Li Peng and Soviet Chairman of the Council of Ministers Nikolay Ryzhkov on behalf of their respective governments.

They are a long-term cooperation and development program of economy, science and technology, and a cooperation agreement on peaceful use and studies of space.

Chinese Foreign Minister Qian Qichen and Soviet Foreign Minister Eduard Shevardnadze signed another two agreements. One is on mutual reduction of military forces on border areas and the guidance of enhancing trust in the military field, and the other a consultation accord between the two foreign ministries.

A credit agreement of daily-use commodities provided by China to the Soviet Union and a memorandum on the construction of a nuclear power plant in China and a Soviet Government loan to China. [sentence as received] They were signed by Li Lanqing, China's vice-minister of foreign economic relations and trade, and Konstantin Katushev, Soviet minister of foreign economic relations.

The signing ceremony was held in an atmosphere of solemnity and friendship.

Meets Friendship Society Activists

*OW2404200090 Beijing XINHUA in English
1950 GMT 24 Apr 90*

[Text] Moscow, April 24 (XINHUA)—Chinese Premier Li Peng met representatives of the Soviet-China Friendship Society and Soviet experts who had worked in China here this afternoon.

As Premier Li walked into the "home of friendship," several girls presented to him a big loaf of bread and a pinch of salt. Premier Li picked one piece, dipped it in salt and ate it in the local tradition of entertaining distinguished guests to bread and salt.

Valentina Tereshkova, chairman of the presidium of the Union of Societies for Friendship and Cultural Relations with Foreign Countries, introduced Premier Li to the audience.

Sergei Tikhvinsky, chairman of the central board of the Soviet-China Friendship Society, then spoke of friendship between the peoples of China and the Soviet Union.

Premier Li, who studied in the Soviet Union in the late 1940s and earlier 1950s, spoke in Russian first before he turned to Chinese.

He said friends present today are not only witnesses to Sino-Soviet friendship, but are themselves contributors to such a friendship.

He said many Soviet friends have contributed to the Chinese revolution and to the cause of socialist construction in China in the 1950s.

The Chinese premier particularly mentioned Konstatin Silin, a 77-year-old man who helped design the first bridge on China's Yangtse River, the Wuhan Yangose River Bridge, in the 1950s.

He said that China and the Soviet Union share many identical views on the road to Sino-Soviet cooperation.

He noted that both of them are building socialism, both hope that they will become prosperous and their people's living standard will be raised constantly, both are peace-loving and both are carrying out reform.

He said it is his opinion that such reform is designed to perfect the socialist system step by step, and that it is not aimed at practicing capitalism.

Premier Li said it is important to cherish the friendly sentiments between the two sides, and it is his hope that the friendly ties between the old generation will be passed to the younger one.

He stressed that to develop friendly relations between the two countries will bring about great benefits to the world as well as to the Chinese and Soviet peoples.

Premier Li then went to toast with the friends, among them were president of the Moscow Power Institute where he studied when young, his former teachers and classmates and those who have contributed to the cause of Sino-Soviet friendship.

He also posed for pictures with all of them.

Trade Ministers Discuss Relations

OW2404192790 Beijing XINHUA in English
1917 GMT 24 Apr 90

[Text] Moscow, April 24 (XINHUA)—Li Lanqing, China's vice-minister of foreign economic relations and trade, and Konstantin Katushev, Soviet minister of foreign economic relations, discussed this morning trade relations between the two countries.

They were optimistic about Sino-Soviet trade and economic cooperation.

They agreed on cooperation in various areas including the improvement of bilateral trade means, the development of regional and border trade, cooperative production, joint ventures, contracted projects, processing with consumers' materials, technology transfer and compensation trade.

Li Lanqing is accompanying Chinese Premier Li Peng on the visit to the Soviet Union.

Tomur Dawamat Meets Official

OW2404155890 Beijing XINHUA in English
1418 GMT 24 April 90

[Text] Moscow, April 24 (XINHUA)—Rafik Nishanov, chairman of the Council of Nationalities of the Supreme Soviet of the U.S.S.R. met today at the Kremlin Tomur Dawamat, chairman of the People's Government of the Xinjiang Uygur Autonomous region of China.

Nishanov had friendly talks with Tomur who is accompanying Chinese Premier Li Peng on an official visit to the Soviet Union.

General Xu Xin Meets Moiseyev

OW2404191790 Beijing XINHUA in English
1908 GMT 24 Apr 90

[Text] Moscow, April 24 (XINHUA)—Xu Xin, deputy chief of the general staff of the Chinese People's Liberation Army, had friendly talks here today with Mikhail Moiseyev, Soviet first deputy defense minister and chief of the general staff of the Soviet armed forces.

They held that after China and the Soviet Union normalized their relations, it is proper for the armies of the two countries to make contact. Actually, personnel from the two armies have already made a good start in their exchanges.

They stressed that the development of friendly relations between the two armies will not be directed against any other countries, nor will it hinder either of them to keep and develop friendly ties with the armies of the other countries.

Therefore, the two sides said, such relations will be conducive not only to the development of good neighborly relations between the two countries, but also to peace and stability in Asia and in the rest of the world.

General Xu Xin is now accompanying Premier Li Peng on the visit to the Soviet Union.

Meets President Lukyanov

OW2504984190 Beijing XINHUA in English
0828 GMT 25 Apr 90

[Text] Moscow, April 25 (XINHUA)—Anatoliy Lukyanov, president of the Presidium of the Supreme Soviet

of the Soviet Union, met with visiting Chinese Premier Li Peng at the Kremlin this morning.

Following the meeting, Premier Li and his wife, Zhu Lin, visited Vladimir I. Lenin's office and his former residence.

"Great Lenin will forever encourage us to advance along the road of socialism," Li Peng wrote in an autograph album there.

China will firmly adhere to Leninism although many people in the world have given it up, Li said while he was shown around the place.

Li Peng arrived here Monday for a four-day official visit to the Soviet Union, the first of its kind by a Chinese premier over the past 26 years.

Qian Qichen Meets Counterpart

*OW2504071790 Beijing XINHUA in English
0656 GMT 25 Apr 90*

[Text] Moscow, April 25 (XINHUA)—Chinese Foreign Minister Qian Qichen and his Soviet counterpart Eduard Shevardnadze started talks this morning in the Foreign Ministry here.

They are expected to discuss bilateral relations and international issues of common concern.

At the beginning of the talks, the Chinese foreign minister presented to Shevardnadze a collection of stamps on Vladimir I. Lenin.

"This year is the 120th anniversary of Lenin's birthday," Qian said, "the stamps were collected at a Beijing stamp exhibition."

Shevardnadze expressed his thanks to Qian.

Foreign Minister Qian Qichen is now accompanying Chinese Premier Li Peng on a four-day official visit to the Soviet Union.

April 22 was the 120th anniversary of Lenin's birthday, when the Soviet people held various activities in commemoration of the great revolutionary leader, one day before Chinese Premier Li Peng started his trip to the country.

Li Ruihuan Meets Official

*OW2504090990 Beijing XINHUA in English
0831 GMT 25 Apr 90*

[Text] Beijing, April 25 (XINHUA)—The development of friendly, cooperative Sino-Soviet relations is in the common interest of the people of the two countries, Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, said here today.

In a meeting with Nikolay I. Efimov, chairman of the State Committee of the USSR for Press and Publishing,

and his party, Li said Chinese Premier Li Peng's current Moscow visit "is a major event in the development of relations between the two parties and the two governments".

It also represents a concrete step in ending the past and opening up the future for the two countries, following Soviet leader Mikhail Gorbachev's China visit last year, Li said.

He said that China and the Soviet Union, as two big socialist countries, had cherished a long, friendly relationship.

Under current historical conditions, Li continued, further strengthening the friendship and solidarity between the two peoples and expanding and developing bilateral cooperation and contacts in various fields are not only in the interest of the two peoples, but also in the interest of the people of the world.

He expressed belief that so long as Marxist-Leninist principles, the socialist system, and reform and opening are adhered to, the Soviet Union would experience faster and greater development.

During the meeting, Efimov briefed Li on the co-operation in publications between the two countries.

Song Muwen, director of the Press and Publications Administration of China, was present.

On April 20, Song and Efimov signed an agreement on co-operation in publishing between China and the Soviet Union for the 1991-92 period.

Editorial Views Prospects

*HK2504035490 Hong Kong WEN WEI PO in Chinese
25 Apr 90 p 2*

[Editorial: "Substantial Prospects for Sino-Soviet Cooperation"]

[Text] On the second day of his visit to the Soviet Union, Li Peng signed six agreements with Soviet Premier Ryzhkov. The rapid progress of the talks exceeded the expectations of certain observers.

The six agreements include: First, agreement on jointly building nuclear power stations and the Soviet Union granting credit to China; second, a consultation accord between the two foreign ministries; third, program for long-term cooperation and development between China and the Soviet Union in the fields of economy, science, and technology; fourth, mutual reduction of military forces on border areas and the guidance of enhancing trust in the military field; fifth, cooperation in peaceful use and studies of space; and sixth, a credit agreement of daily-use commodities provided by China to the Soviet Union.

These six agreements indicate that China and the Soviet Union have earnestly and practically promoted their

good-neighborly relations of cooperation based on the five principles of peaceful coexistence.

The signing of the agreement on mutual reduction of military forces on border areas and the guidance of enhancing trust in the military field has particularly become the focus of world attention. This conforms to the interests of the two countries as well as to the general trend of world relaxation.

In the 1960's, China and the Soviet Union confronted each other by deploying millions of troops along their 7,000-kilometer border. It is believed that no other border confrontation of similar scale can be found elsewhere in the world. Both sides wasted large amounts of military spending which hampered their border economic development. Moreover, the tense atmosphere was disadvantageous to world peace. Amid the atmosphere of cold war in the 1960's, the West was worried that relaxation in the East might shift the military strength to the West. Similarly, the East was also worried about the trouble resulting from relaxation in the West.

As peace and development have become the two major issues in the world today, a situation of relaxation has emerged in Europe. The Soviet Union has gradually withdrawn its troops from Europe and tremendous changes have taken place in the role of the Warsaw Treaty Organization. The situation of Europe is characterized by the least military confrontation ever since the war.

To suit the trend of world relaxation, the East can and should end its military confrontation. China and the Soviet Union are absolutely capable of reducing their border troops to meet the desire of the people of the two countries for peace.

The reduction of troops in the West as well as the East is a major breakthrough made by mankind to seek peace.

With the sincerity and agreements for getting along with each other, China and the Soviet Union can shift the military spending saved into developing economic construction and improving the living standards of the people. In 1989 alone, the Soviet Union allocated \$16 billion of foreign exchange to replenish the market with imported consumer goods and improve the people's livelihood. China, which has undergone 10 years of reform and opening up, has manufactured large quantities of color television sets, refrigerators, wrist watches, washing machines, garments, and daily-use commodities in recent years. The measures adopted to check inflation and tighten money supply have resulted in a temporary slump market. Sino-Soviet cooperation in the economic field can help supplement each other's needs. China can offer credit and export consumer goods to the Soviet Union. The Soviet Union can provide China with nuclear power equipment and calculate the prices based on credit. The means of credit constitute a reform of barter trade carried out in the past based on a planned economy. It indicates that various units and enterprises can obtain spot exchange or forward exchange, which is

advantageous to arousing enthusiasm for exports, increasing the volume of trade, and opening more avenues for businesses. Such cooperation between China and the Soviet Union suits the current situation of foreign exchange reserve of the two countries as well as the law of a commodity economy. It is bound to give impetus to reform undertakings of both sides.

Cooperation in space, economy, science, and technology has also been placed on the agenda of Sino-Soviet cooperation. There are great potentials in this regard. Premier Ryzhkov said that the government of the two countries should carefully understand the strong points of each other and increase cooperation in the fields of energy, metallurgy, power, communications, aviation, space, timber processing, agriculture, and manufacture of consumer goods. Li Peng proposed cooperation in labor, mutual transfer of patent rights, and running of joint ventures. These proposals include mutual exchange of reform achievements or developing cooperation through reform.

Although the talks between Gorbachev and Li Peng have not been made public, it is believed that they will involve world strategy, international issues, and reform experience of the two countries.

Li Peng's Wife Visits School

OW2504075290 Beijing XINHUA in English
0711 GMT 25 Apr 90

[Text] Moscow, April 25 (XINHUA)—Visiting Chinese Premier Li Peng's wife Zhu Lin visited the 11th Chinese Boarding School of Moscow Tuesday.

During her visit, Zhu presented the students some Chinese books and picture albums. She hoped that they would study Chinese well and make contributions to the improvement of Sino-Soviet friendship relations.

Soviet Vice Premier Nikolay Laverov's wife Laverova accompanied her on the visit.

In another development, Zhu also visited the Moscow No. 2 Kindergarten. The children displayed the guests gymnastics and dance. Zhu presented the children some toy pandas and dolls.

Northeast Asia

Jiang Urges Japanese Group To Resume Loans

OW2404145290 Tokyo KYODO in English 1329 GMT
24 Apr 90

[Text] Beijing, April 24 KYODO—Chinese Communist Party General Secretary Jiang Zemin told a delegation of Japanese Liberal Democratic Party members Tuesday that Japan should take an independent stance among its Western allies and resume economic cooperation with China.

Jiang told the group, led by former Defense Agency Chief Koichi Kato, that Japan should resume payment of official loans suspended in the wake of last year's bloody crackdown on pro-democracy students in Tiananmen Square.

Jiang's statements were made in response to remarks by Kato saying that the loans promised by former Prime Minister Noboru Takeshita would be paid despite criticism from the West and domestic criticism of China following the Tiananmen incident.

"China is a socialist nation, but there is no socialist camp," said Jiang. "There is a liberal (capitalist) camp known as G-7." He was referring to the name of the conference of leaders from the world's seven leading capitalist nations.

The Chinese leader said that among the G-7 nations, "Japan must have its own individual character. To stagnate economic cooperation because of the Tiananmen incident just will not do."

Last November, Chinese Prime Minister Li Peng told a group of Japanese business leaders to end the suspension of official loans.

Criticizing the interference of the West and saying there was distorted information surrounding the Tiananmen Square crackdown, Jiang told the Japanese group, "Since peace has continued for several years (in China), we did not know how to cope with the demonstration."

"In the future, we will teach our special forces," said Jiang. "The West would have dealt with the demonstration in the same way."

Li Ruihuan Meets With Japanese Guests

SK2404083890 Tianjin TIANJIN RIBAO in Chinese
22 Mar 90 p 1

[Text] On the evening of 20 March, at the State Guest-house of Diaoyutai in Beijing, Comrade Li Ruihuan met with (Fujio Sho), president of the (Kansai) International Tourist Company in Japan, Wei Defu, president of the Sino-Japanese Development Corporation, and (Furukawa Mo), correspondent of the (Toho) Communication Agency, who have engaged in Sino-Japanese friendly activities for a long period of time. The host and the guests conversed with one another cordially and friendly.

(Fujio Sho) and his entourage paid a visit to Tianjin upon the invitation of the Foreign Affairs Office under the Tianjin Municipal Government. Fang Fang, adviser to the municipal government, Zheng Zhiyong, deputy secretary general of the municipal government, and Zhang Shiyong, director of the municipal Foreign Affairs Office, held talks with the guests on economic and cultural exchanges.

During their stay in Tianjin, the guests visited the Tianjin Fine Arts College, and toured the ancient Great

Wall in Jixian County. These guests headed for other places to continue their visit on 21 March.

Hijacker Asks Tokyo Court for Political Asylum

Hijacker Plea Refused

OW2004161990 Beijing XINHUA in English
1530 GMT 20 Apr 90

[Text] Tokyo, April 20 (XINHUA)—The Tokyo High Court turned down today a plea for political asylum by Zhang Zhenhai, a Chinese man accused of hijacking a passenger plane to Japan last year, and ordered his extradition to China.

The high court decision empowers the justice minister to deport Zhang, 36, who has been detained in Japan since December 16, when Zhang hijacked a New York-bound Air China flight to land in Fukuoka.

Zhang allegedly commandeered the aircraft, which has 233 people on board, by threatening to blow it up.

He was arrested after being pushed out through an open door by a flight attendant after the plane touched down at the Fukuoka Airport.

Zhang, who boarded the plane together with his wife and their 13-year-old son, has pleaded for political asylum.

In a series of extradition hearings which the high court has held since March, prosecutors have argued that Zhang never took part in political activities and hijacked the plane only to flee the country.

Zhang's wife and son were flown back to China along with other passengers of the plane after the hijacking.

Extradition Ordered

OW2404005490 Beijing XINHUA in English
1330 GMT 23 Apr 90

[Text] Tokyo, April 23 (XINHUA)—Japanese Justice Minister Shin Hasegawa ordered prosecutors today to extradite a wanted Chinese hijacker to China.

Yoshinobu Baba, chief of the Justice Ministry's international section, said at a press conference that the order was made at 5:30 p.m. to the chief of the Tokyo High Public Prosecutors' Office.

The order came three days after the Tokyo High Court turned down the plea of Zhang Zhenhai, the hijacker, for political asylum and empowered the justice minister to start extradition procedures.

The Japanese Foreign Ministry will notify the Chinese Embassy in Tokyo of the extradition order. Baba added.

Under the extradition law, the chief prosecutor must extradite Zhang to the Chinese authorities within 30 days from Tuesday.

Zhang, 36, has been detained in Japan since December 16, when he hijacked a New York-bound Air China passenger plane to land in Fukuoka, Japan. He was accused of commanding the aircraft by threatening to blow it up.

He was arrested after being pushed out of the cabin by a flight attendant when the plane had touched down at the Fukuoka Airport.

In a series of hearings by the Tokyo High Court since March, prosecutors have argued that Zhang never took part in political activities and hijacked the plane only to flee his country.

Qian Zhengying Meets Japan's Prefecture Governor

OW2104181390 Beijing XINHUA in English
0927 GMT 21 Apr 90

[Text] Beijing, April 21 (XINHUA)—Qian Zhengying, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], met Tagawa Ryozi, governor of Mie Prefecture, and his party at the Great Hall of the People here this afternoon.

The Japanese guests came to visit China at the invitation of the Henan provincial people's government.

Buddhist Leader Meets Japanese Guests

OW2104183090 Beijing XINHUA in English
1009 GMT 21 Apr 90

[Text] Beijing, April 21 (XINHUA)—Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the Buddhist Association of China, met here this afternoon with a Japanese delegation on a friendly visit to China.

The Japanese delegation were headed by Bishop Koyu Fujioto, governor general of Jodo Shinshu Hongwanji-ha, and Takamaro Shigaraki, president of Ryukoku University.

Southeast Asia & Pacific

Song Jian Meets Thai Science, Technology Group

OW2404030890 Beijing XINHUA in English
0149 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—Song Jian, state councillor and minister in charge of the State Science and Technology Commission, met a delegation from the Committee of Science, Technology and Energy of the Thai House of Representatives here this morning.

Song Jian and Saner Fungchiam, first vice-chairman of the committee and head of the Thai delegation,

exchanged views on energy development and scientific and technological cooperation between China and Thailand.

The delegation came to visit China at the invitation of the Education, Science, Culture and Public Health Committee of China's National People's Congress.

Laos Delegation Visits Guangdong Province

OW2004223190 Beijing XINHUA in English
1337 GMT 20 Apr 90

[Text] Guangzhou, April 20 (XINHUA)—A delegation from Vientiane, Lao's capital, arrived here by plane today.

Headed by Sisavat Keobounphan, member of the Political Bureau of the Central Committee of the Lao People's Revolutionary Party [LPRP], the delegation is here for an eight-day goodwill visit at the invitation of the Guangdong provincial government.

Ye Xuanping, governor of Guangdong Province, met and hosted a dinner in honor of the Lao guests.

Keobounphan, also municipal party secretary of Vientiane and concurrently chairman of the administrative committee of the city, had visited Guangdong 24 years ago. This time he will exchange views with leaders of Guangdong on trade and economic cooperation between Guangdong and Vientiane.

The Lao delegation had visited Yunnan Province before it came to Guangdong.

Laotian Leader Meets Friendship Delegation

OW2104182790 Beijing XINHUA in English
1555 GMT 21 Apr 90

[Text] Hanoi, April 21 (XINHUA)—Sali Vongkhamso, vice chairman of the Laotian Council of Ministers Friday expressed the hope that Laotian-Chinese relations would be further strengthened.

Sali made the remark while meeting a delegation of the Chinese People's Association for Friendship with Foreign Countries in Vientiane, according to PATHET LAO NEWS AGENCY.

The delegation, led by Wang Xiaoxian, the vice president of the association, ended its five-day goodwill visit to Laos on Friday.

Papua New Guinean Ambassador Presents Credentials

OW2404033990 Beijing XINHUA in English
0157 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—Chinese President Yang Shangkun received credentials presented by New Guinean Ambassador to China Abou Camara here this morning in the Great Hall of the People.

The new ambassador arrived in the Chinese capital on April 17.

Political & Social

Yao Yilin Presides at State Council Meeting

OW2404161890 Beijing XINHUA in English
1051 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—The Chinese State Council this morning held its 58th executive meeting to discuss and approve the tobacco monopoly law (draft) of the People's Republic of China in principle.

The State Council decided to hand the draft law to the Standing Committee of the National People's Congress (NPC) for examination.

During the meeting, presided over by Acting Premier Yao Yilin, it was decided that as a special high-tax commodity harmful to people's health, tobacco production and sales should be a monopoly with a unified and concentrated management and supervision.

The tobacco monopoly regulations issued by the State Council in September 1983 have played a positive role in stopping the blind development of tobacco production and promote coordinated development of supplies and purchasing in the industry.

However, the regulations do not meet the needs of the present situation.

The tobacco monopoly law (draft) stipulates in detail the strengthening of the monopoly, price controls, and the management of tobacco export and import and defends interests of consumers, according to the State Council.

Zhao Criticized at Secret Politburo Session

HK2504003190 Hong Kong SOUTH CHINA
MORNING POST in English 25 Apr 90 p 1, 10

[By Seth Faison in Beijing]

[Text] China's disgraced former Communist Party chief, Mr Zhao Ziyang, was formally criticised when he appeared last month before Politburo members who met to discuss his alleged wrongdoing in last year's student-led protest movement, diplomatic sources said.

Accused of seriously violating party discipline, Mr Zhao was required to answer questions about his "mistakes" during the period that led to his downfall last June, but he steadfastly refused to admit any guilt, and his case was left unresolved.

One diplomat said that Mr Zhao's attitude was unrepentant, and that he had even gone so far as to assert that China's economy would be better off than it is today had he been allowed to continue in his post of party general-secretary.

His case has been one of the most divisive issues within China's leadership during the past year, and has been

watched carefully by political analysts for clues to the mood inside Zhongnanhai, the Communist Party headquarters.

Few details could be obtained about the meeting in late March, which was held in secret, but it appeared to have pushed the case forward to a new, if inconclusive, stage.

The Politburo members, another source said, were however able to agree on two specific instances of serious party discipline violation, which both occurred on May 19—the day before martial law was officially declared.

The first was when Mr Zhao went without approval from other leaders to Tiananmen Square before dawn and publicly expressed sympathy with students, which was the last time he was seen in public.

The second was when he failed to attend a key meeting of the leadership that evening, his empty chair a visible sign of his disapproval of the decision that his rival, the Prime Minister, Mr Li Peng, announced to the television gathering.

Previously, Mr Zhao has officially been accused of having committed errors only in vague terms, such as "splitting the party" and "supporting the turmoil".

The source did not know if other controversial actions, such as Mr Zhao's comment to the visiting Soviet President, Mr Mikhail Gorbachev, that senior leader Mr Deng Xiaoping made all important decisions, were also termed serious mistakes.

It could not be confirmed whether the meeting at which Mr Zhao was criticised was a formal gathering of the Politburo or had any direct connection with the Central Committee, which was convened early last month.

Mr Li confirmed at a recent press conference that Mr Zhao was still under investigation but did not explain why the inquiry had taken so long.

Mr Zhao, who suffered heart trouble late last year, was in relatively good health and spirits when seen by an acquaintance recently in the Fuqiang Alley home that he has lived in since last summer with some members of his immediate family.

He is not, however, allowed to receive guests or go out freely.

His second son, Mr Zhao Erjun, went abroad last year to avoid questioning from authorities who suspect him of economic crimes.

But his eldest son, Mr Zhao Dajun, is still working in Guangzhou despite reports that he had also fled, a source said.

The Minister of Supervision, Mr Wei Jianxing, said early this month that "some evidence" of illegal profiteering had been collected on Mr Zhao Dajun, but that authorities did not know where he was.

"Unlike the case of his son, investigation into Mr Zhao's activities are being handled by the party itself," Mr Wei said at the time.

According to reports earlier this year, a special investigative team was set up to look into Mr Zhao's wrongdoing, headed by Mr Wang Renzhong, a senior cadre who is vice-chairman of the Chinese People's Political Consultative Conference.

There have also been persistent rumours that Mr Deng had decided in consultation with other party elders that Mr Zhao's case should be resolved for at least two years.

It was not known whether the recent action on Mr Zhao's case was directly tied to the expulsion from the party of his former advisers, veteran liberals Mr Du Runsheng and Mr Yu Guangyuan.

Liu Wen Outlines Anti-Terrorist Measures

HK2504014090 Beijing CHINA DAILY in English
25 Apr 90 p 1

[By staff reporter Chang Hong]

[Text] Chinese police authorities are focussing their anti-terrorism effort on preventing international terrorists from staging terrorist acts in China, a senior Chinese police official has said.

Liu Wen, director of the Criminal Investigation Department under the Ministry of Public Security, said, "World terrorist acts have not resulted in any harmful consequences in China since it holds a firm stand against international terrorists and adopts strict preventive measures in this regard."

However, he warned that international terrorists are trying to enter China by every means and Chinese police have learned of the attempts by some of them to attack foreign embassies and diplomats, hijack aircraft inside China and stage terrorist acts directed to foreign state leaders visiting China.

In his workpaper delivered on Monday to a panel session at the on-going 14th Conference on the Law of the World, Liu said that China's counter-measures against terrorism include close watch at border check-points, strict anti-hijacking approaches, special offices studying international terrorism and a special anti-terrorist police force.

He said Chinese authorities concerned refuse to issue entry documents to terrorists or terrorist suspects who may impose threats to China or foreign embassies and consuls in China.

"We adopt measures of common international practice to ensure the safety of air transportation, including fixing X-ray devices and stationing well-trained security personnel at domestic and international airports," he said.

Liu said once any hijacking attempt by international terrorists is discovered, Chinese police will closely follow and watch them and tighten anti-hijacking measures.

Liu said China makes every effort possible to ensure the safety of foreign institutions and diplomats in China and foreign leaders and VIPs visiting China.

He revealed that special police organs have been set up in China responsible for investigating and studying international terrorists, contacting information exchanges and co-operations with foreign counterparts, and collecting intelligence concerning international terrorists.

'Effective Measures' Urged Against June Unrest

HK2504091990 Hong Kong TANG TAI in Chinese
No 21, 21 Apr 90 p 6

[Article by Chen Ming (7115 2494): "How Can We Tide Over the 'Troubled Spring'?"]

[Text] April, in the first spring of the 1990's, is the most sensitive, tensest, and uneasiest of times for the CPC people in authority.

A Top-Secret Document Is Issued to Departmental Levels

To take precautions against a recurrence of last year's student democratic movement, Beijing authorities issued a top-secret document to the party and government cadres at the departmental level of all places throughout the country, as early as the end of March. They demanded that leaders at all levels pay close attention on the sensitive days of the three months April, May, and June and adopt all effective and feasible measures to resolutely and mercilessly wipe out the "counterrevolutionary activities"—including assemblies, demonstrations, students' strikes, and all forms of meetings—in the embryonic stage. At the same time, the document demands that party and government organs at all levels step up political and ideological study, and teach and lead the masses to understand the major climate and necessity of last year's counterrevolutionary rebellion in Beijing; to clearly know of the importance of stability and unity at home at present; and to organize some mass patriotic activities in a planned way.

Go In for Activities To Divert Attention

On the basis of the spirit of this top-secret document, all places, especially big cities, throughout the country have successively made preparations for the organization of some large activities in an attempt to water down people's recollection of last year's students' movement.

In Beijing, Young Pioneers were organized on 1 April to plant flowers in Tiananmen Square to greet the Asian Games, and a Sino-Japanese Marathon was organized in the middle of this month.

Cui Jian gave a singing performance in Xian Stadium to raise funds for the Asian Games and an audience of

several 10,000 was imbibed by his performance. The tickets for the singing performance given by Cui Jian, a Chinese rock-and-roll singer, who has resurfaced after not appearing in public for a long time, were sold at 30 to 40 yuan renminbi each on speculation. Some teachers and students who had attended the performance declared that Cui Jian spoke very little during his several hours' of singing, but the atmosphere of the venue was fairly warm, struck the audience's sympathetic chord, and made the audience give vent to their feelings. A student whose surname is Wang said: "I unburdened myself of my depression that had gathered at the bottom of my heart!" Cui Jian's performance shook the whole city. The song "Not Own A Thing in the World" rises in the ancient capital Xian again, but the song "The Last Bullet" can be heard no longer. In Shanghai, some institutions of higher education have carried on friendly dance contests in an attempt to allow the young people to give vent to their feelings.

The Army and Military Academies Are Prohibited From Listening In to a Transistor Radio

The People's Liberation Army [PLA] and all military academics and colleges are being controlled more strictly. Due to the present grim situation, they are now rectifying their style of work like wildfire, and rigidly stipulating that a conference on political study is to be held every two days. In the past, the military academies and PLA units permitted about 30 percent of their students and soldiers to go out during a festival and holidays, but beginning 1 April have not allowed more than 10 percent to go out.

Moreover, the upper levels have given a strict order that all students and soldiers are not permitted to listen to a "transistor" radio; they have taken a series of measures, and strictly prohibited the soldiers from stealthily listening into the Voice of America at night.

It was learned that the heads of the Army also instructed the students of the academies and colleges and soldiers—who had "luckily" been permitted to go out—to go out in civilian clothes or preferably to go sightseeing in groups, and to carefully avoid conflicts with the common people. From this, it can be seen that the so-called "relations between the Army and the people like those of fish to water" and an "army made up of the sons of the people" have dropped to an unprecedentedly low point since the massacre in Beijing on "4 June." Some fighters have also frequently lodged complaints—attendants of hotels and shops deliberately make things difficult for them and some people often chuck stones at them and beat them under a pretext while they are out.

The News About Chai Ling Gladdens Fellow Countrymen

Although Beijing authorities can sternly control the Army, it appears that their ability to control the common people falls short of their wishes. Many young people stealthily listen in the Voice of America and BBC at night. This is especially a common practice in Shanghai,

Nanjing, Suzhou, Ningbo, and Hangzhou. They have been well informed of the radical changes in East Europe, the farce of the Taiwan presidential election, and of the Chinese democratic movement elements in exile abroad. The appearance of Chai Ling in Paris has especially aroused their interest. However, they showed indifference to the news about the National People's Congress that just concluded and the Chinese People's Political Consultative Conference Session. These two kinds of mental state form a strong contrast. Although many young people are rethinking last year's students' movement, intellectuals particularly think that it was absolutely wrong to determine the students' patriotic democratic movement as a "counterrevolutionary rebellion." Although some people do not completely approve of the method of the democratic movement, they are extremely disgusted with the authorities' suppression of the students and their coming out after the event.

Attend to One Thing and Lose Sight of Another, Public Order Becomes Poor With Each Passing Day

Although the first anniversary of the massacre in Beijing on "4 June" will come soon, the CPC authorities have not relaxed the pursuit, investigation, and combing out of the democratic movement elements in the slightest. Owing to limited manpower, they have attended to one thing and lost sight of another, and public order has gradually become poorer. After Guangzhou taxi drivers installed a robbery prevention net in their taxis, in Hangzhou and some cities a taxi has to have two drivers to carry passengers—one driver drives the taxi and the other acts as a bodyguard. It is learned that the incidents of robbing and murdering a driver by "passengers" happens frequently.

Wage Rises, Travel Bans To Be Instituted Soon

HK2504023590 Hong Kong HONGKONG STANDARD in English 25 Apr 90 p 7

[By Tammy Tam]

[Text] Chinese authorities have announced salary increases for workers and the cancellation of business trips for managers in Beijing in a bid to ensure peace in the capital during the next few months.

Sources said yesterday heads of many major enterprises had been instructed not to make business trips out of Beijing during April, May and June.

They had been asked to stay on hand during "the three sensitive months" to keep an eye on their staff, according to one source.

They had been told that "if anything happens" they would have to shoulder the responsibility.

The months mark the anniversary of the student-led pro-democracy demonstrations, which culminated in the massacre on Tiananmen Square last June 4.

The movement drew massive support from the people, including workers considered by the Communist Party to be the major support force of the government.

Beijing workers had been offered a salary increase based on a step up in grades from May 1, International Labour Day.

"It is a big gift for the workers and the retired ones will also obtain more pension because of the grade increase," said another source.

In China, a one-grade increase can range up to HK\$20 each month, depending on workers' grades.

"We were told it is an encouragement to us for our support for the Asian Games. We understand that the government has to spend a substantial amount on this increase although the individual may just get a very small amount."

Analysts believe the increase, coming into effect one month before the first anniversary of the June 4 incident, is aimed at easing any possible anti-government sentiments among workers.

Sources said the government intended to finance the one grade increase for only one year.

Whether the higher wage would be paid after one year would depend on employers and the financial performances of factories.

One source said some workers were opposed to the salary increase plan.

Some workers felt the money could be better used because the country was facing a serious budget shortage.

An official in the Ministry of Labour revealed that his ministry was drafting new worker salary grades according to skill levels, said the Hong Kong China News Agency.

The official said it was the third nation-wide review of workers' salary grades aimed at changing the current complicated grade system.

Analysts said the announcement—by its timing—appeared intended to appease workers by holding the promise of another salary increase in the near future.

In another apparent bid to ensure a peaceful atmosphere in Beijing—the Asian Games will be held there in September—the government has ordered tightened control over visits to the capital by non-residents.

Sources said non-residents would have to carry letters from employers certifying that they were in Beijing for business.

Clandestine Radio Station Begins Broadcasting

HK2504113290 Hong Kong AFP in English
1116 GMT 25 Apr 90

[Text] Beijing, April 25 (AFP)—A clandestine radio station called "The Voice of June 4," the date China's pro-democracy movement was crushed last year, has begun broadcasting anti-government programs from a secret location.

A radio announcer early Wednesday reported on Chinese opposition leaders in exile, relations between the U.S. and Soviet presidents and referred to "repression" in Beijing and Shanghai.

Portions of the half-hour broadcast monitored in Beijing were barely audible, but interference and not deliberate government jamming seemed responsible for the technical problems, foreign communication specialists said.

Broadcasts from the station were first picked up Tuesday, but there were no indications as to how old it was and its links with China's opposition.

During Tuesday's broadcast, a commentator nonetheless referred to the activities of the Paris-based Federation for Democracy in China.

This opposition group is involved in an operation to transmit radio and television broadcasts from a boat, "The Goddess of Democracy," that left France last month for waters off China.

Organizers hope to start broadcasting programs critical of the Beijing government at the end of April or beginning of May.

Pro-Democracy Leader Yan 'Daydreams' of Future

HK2404142190 Beijing GUANGMING RIBAO
in Chinese 4 Apr 90 p 2

[Article by Wei Ji (7279 7535): "Yan Jiaqi's Daydream"]

[Text] On New Year's Day of the first year of the 1990's, CHUNG-KUO SHIH-PAO of Taiwan published Yan Jiaqi's "Look Forward to China in the 1990's."

He, therefore, looks forward to the future probably because he cannot bear to look back to the things of the past, the intelligent views of the braintrust in the salons and the disturbance created in the Tiananmen Square that vanished; what he can acquire is only the elegant title of an "elitist of turmoil," and he was as frightened as a stray cur, leaving the country. As chairman of a so-and-so front, he is bogged down in chaos and discord and strives for power and money everyday and cannot deploy the troops in battle formation but still wants to bolster up morale. He, therefore, still relies on looking forward. After I counted them roughly, there are 60 "wills" in his looking forward.

"In the upsurge of not going Mao's way and Deng's way, the huge Mao Zedong's portrait will finally be removed from the Tiananmen wall."

"Deng Xiaoping's 'four cardinal principles' will be chucked into the dustbin."

"Marxism, together with Leninism, will meet with criticism and the trend of thought of social democratism will gain ground in China in the 1990's."

"The first step of revising or formulating the Constitution will propose at the National People's Congress [NPC] the deletion of the 'four cardinal principles' in the preface of the Constitution now in force."

"The ideological system of communism will eventually lose its influence on Mainland China and the Communist Party will surely forfeit its ruling position in China in the 1990's or the next century."

And so on and so forth.

The words and expressions of the elite, like Yan Jiaqi, are so monotonous and the elite has used up its literary talent or energy with only the ability of being incoherent, long-winded, and repetitious left behind. Such an article of nuisance with so many "wills" actually serves to show that the front has no capable person. Nevertheless, their plan calculated to hate China and the Chinese nation can be seen as clearly as a blazing fire.

Another Yan Jiaqi article is entitled "I still hope for peaceful evolution in China," was published in the ASIAN MAGAZINES on 14 January. "As a leader of the democratic front," he announced the military strategy in the article: 1) "The changes in East Europe act as a very great encouragement to us," "we are contacting East Europe and council members of the democratic front have gone to Poland to conduct investigation," and "preparations are being made for holding an international discussion meeting on the 'peaceful evolution' of communist countries." 2) "Democratic front leaders' visit to Taiwan is very necessary."

This military strategy is naturally excellent but the pity is that turning "will" into reality is just like striding forward toward the sun from the earth.

During their visit, the council members spouted democracy as usual but the hosts did not necessarily give face. Having returned home from the United States, Walesa, chairman of trade union Solidarity, said that Poland needed "dictatorship and power" and "power to require people to work and to force people to work" and that "diversification and freedom did not conform to today's Polish situation" (QINGNIAN QIZHI BAO [7230 1628 2475 1615 1032 YOUTH BANNER DAILY NEWS] of Poland on 19 February). Can several "international discussion meetings" effect "peaceful evolution" in China? It is feared that Yan Jiaqi will not believe in such a self-fabricated myth.

While visiting Taiwan, he put on grand airs. One year before the outbreak of the turmoil, when Yan Jiaqi went to Hong Kong to attend a seminar, he displayed his no ordinary ability of flattery and called Taiwan a "source of healthy strength" that could produce very great results on the mainland" (CHUNG-KUO SHIH-PAO on 6 June 1988). Readers have already seen how great the results of the play of the turmoil and rebellion was. On 31 December last year, Taiwan LIEN-HO PAO carried news about very important persons of Yan Jiaqi's front, including Wan Runnan and Su Xiaokang, visiting Taiwan and giving their warm regards to Ma Shu-li, "behind-the-scenes hero" and chairman of the League of the Reunification of China With the Three People's Principles." Wan Runnan and others confessed without being pressed, saying: "Had we known that the CPC treated the democratic movement this way, we would have colluded with Taiwan at an early date." On 12 January this year, they also attended a Taiwan forum, at which Su Xiaokang came to the conclusion that "the existence of Taiwan is obviously where the hopes of the Chinese nation lie" (HONG KONG TIMES on 3 January). The inside information of this conclusion was clearly explained by an article in Hong Kong's MING PAO on 8 January: "Taiwan's attitude toward supporting and utilizing the people embarking on the democratic movement has changed from covert to overt," "support is the means and utilization is the aim," and "when the people embarking on the democratic movement on the mainland settled down abroad and came together, Taiwan authorities immediately used its monetary superiority in an attempt to control them."

What "will" happen after all this? We might as well ask the "democratic movement people" to answer as before.

On 12 March, NEW YORK TIMES of the United States carried an article: "Su Xiaokang frankly admitted internal contradictions in the democratic front." He can be considered as having been honest in word. Su Xiaokang admitted that their front "is at a low tide" and the "majority of its members have insufficient democratic consciousness." Therefore, "morale is dampened," "they are shrouded in a pessimistic and desperate atmosphere and some treat themselves as hopeless exiles, feel miserable all day long, and even moan and groan and bathe their faces in tears with each passing day." The article also quotes the remarks of "observers":

If the democratic front degenerates into those like White Russians in exile half a century ago, it will accomplish nothing. At present, some individual figures in the limelight participating in the democratic movement (they are not only in the democratic movement but also include other organizations) have changed from "professional revolutionaries" to top-notch players in protecting meal tickets and striving for meal tickets. This is an important reason for the internal struggle of the democratic movement organization. As for "a tiny number" of people who embezzled money donated on the streets during 4 June and used it as expenses for pleasure-seeking, it is not worth mentioning. Furthermore, some

people have secretly taken subsidies from somewhere to act as informants. They have completely forfeited the character of a democratic movement figure and political independence and have even signed a promise of political conditions. They have completely alienated themselves and become a disgrace to the democratic movement on the mainland.

Yan Jiaqi's prospects and military strategy are, in fact, merely a daydream to boost his courage. The reason is that whatever his "will" may be, he defies the desire of the 1.1 billion people of China and simply shows his arrogance and cowardice. Relying on a daydream to comfort oneself and how to expropriate others can also be regarded as rights. However, on Yan Jiaqi's timetable, what "will" he become? Will he become or has he become a "top-notch player in protecting a meal ticket and striving for a meal ticket" or will he take or has he taken "subsidies from somewhere?"

Three months has elapsed in the 1990's. We might as well go on looking.
[Dated] March 1990

Article Praises Efforts To Achieve Reunification

HK2404151290 Beijing LIAOWANG in Chinese
No 14, 2 Apr 90, p 6

[Article by Chen Zhi (2525 0037): "Reunification of the Motherland Is the General Historical Trend"]

[Text] The motherland's reunification was a major topic discussed at this year's sessions of the National People's Congress [NPC] and the Chinese People's Political Consultation Conference [CPPCC]. The "Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (Draft)" was submitted to the current NPC session for deliberation and approval. Here, we not only witness the historic process of Hong Kong's return to the motherland but also witness the strong vitality of the great concept of "one country, two systems," which has brought about brilliant prospects for the motherland's reunification. The entire Chinese people, including the people in the Hong Kong region, are excited at seeing this.

The 1980's have just passed and the 1990's have just begun. When standing at the turn of the two decades we cannot stop our minds feeling an upsurge of emotion when reviewing the past and looking forward to the future. In the past decade, promoted by the concept of "one country, two systems," the great cause of reunifying the motherland has made substantial progress. Through many rounds of talks between China and Britain, the "Sino-British Joint Declaration on the Question of Hong Kong" was eventually signed in December 1984, affirming that our country will resume the exercise of sovereignty over Hong Kong in 1997. Then, in April 1987, the Chinese and Portuguese Governments signed the joint declaration on the Macao issue and affirmed that our country will resume the exercise of sovereignty over Macao in 1999. These were two major events of

historic significance in the 1980's. In the coming decade of the 1990's, the return of Hong Kong and Macao to the motherland will become reality. This is a brilliant achievement in the great cause of reunifying the motherland.

The deliberation and approval of the Basic Law of the Hong Kong Special Administrative Region also manifests the principled position of the central government of China in putting the concept of "one country, two systems" into practice. Since the Sino-British Joint Declaration was published, the Chinese Government has consistently stood by the principles prescribed by the joint declaration and has performed our duties. The deliberation and approval of the basic law will provide a major guarantee for stability and prosperity in the Hong Kong region in the future. A series of principles and policies toward the Hong Kong region formulated by the Chinese Government in accordance with the principle of "one country, two systems" will be put into practice and will not be changed. This time, when coming to Beijing to attend the meeting, Mr. An Tsu-chieh, member of the CPPCC National Committee and vice chairman of the Basic Law Drafting Committee, brought with him the wishes of the people in Hong Kong. He said that the Basic Law is generally welcomed in Hong Kong and Hong Kong people now have more confidence. Some people who left Hong Kong a few years ago now want to return. The firm principles of the central government, the solemn legal guarantees, plus the efforts of Hong Kong people in all circles, will lay a foundation for Hong Kong's future stability and prosperity.

The concept of "one country, two systems" will be implemented in a very special form. This requires all Chinese people on the mainland and in the Hong Kong region to respect each other and to get along with each other harmoniously. Since there will be two systems in one country, each side should show respect for the social system on the other side. The mainland will practice the socialist system and Hong Kong will practice the capitalist system. Each side will act in its own way and should not interfere in the other side. The mainland will not change the capitalist system in Hong Kong nor should Hong Kong try to change the socialist system on the mainland.

Of course, as citizens of the PRC the Hong Kong compatriots also enjoy the power to participate in the management of state affairs according to the laws. However, such participation must be based on their respect for the socialist system on the mainland and on their observance of the constitution and the laws of the state. The vast majority of the people in the Hong Kong region are patriotic and hope for Hong Kong's stability and prosperity. They also hope for the whole country's stability and prosperity. However, we must never allow a small number of people with ulterior motives to carry out in Hong Kong, such activities as opposing China, opposing socialism, and attempting to turn Hong Kong into a base for subverting the central government.

The Basic Law of the Macao Special Administrative Region is also being drafted and we hope the drafting work will advance smoothly and wish the Macao region will be stable and prosperous.

At this moment, we naturally think of Taiwan, the treasure island of the motherland on the other side of the strait. In the past 10 years, some major changes have occurred in the situation across the Strait of Taiwan. Relations between the two sides have changed from tense confrontation to gradual relaxation. The long-lasting severance of connections between the two sides was terminated and exchanges began. In general, the situation was developing in the orientation of being favorable to the reunification of the country. However, we should also notice that in spite of the abovementioned changes, fundamentally speaking, many man-made barriers in mainland-Taiwan relations have not yet been broken and the obstacles to the realization of the motherland's reunification have not been removed. In recent years, although the Taiwan authorities have slightly relaxed their mainland policy, what they have done is still far from meeting the desires and requirements of the people on both sides. They still stick to the so-called "three-nos policy" (namely, no contacts, no negotiations, and no compromise) and, in fact, are stubbornly keeping their position of opposing the Communist Party and rejecting reconciliation. It is noteworthy that in the last few years, the Taiwan authorities have been trying hard to pursue "elastic diplomacy" and seek "dual recognition" in the international community. They have been carrying out activities of creating "one China, one Taiwan" or "two Chinas." Particularly noticeable is the fact that in the recent period, some people with ulterior motives were creating an adverse current of advocating "Taiwan independence." They blatantly called for separating Taiwan from the motherland. This will certainly encounter resolute opposition from the entire Chinese people and the Chinese government will never sit by idly and remain indifferent.

At present, the political situation in Taiwan is rather turbulent. Some authoritative figures have recently commented on this situation and no further comment will be made here. At the current NPC session Premier Li Peng expressed, on behalf of the central government, its willingness to increase contacts and exchange opinions with various parties, organizations, and people of insight in Taiwan; to discuss with them the major affairs concerning the country's reunification; and to promote relations and exchanges between the two sides of the strait in the sports, economic, cultural, scientific, and technological fields. Taiwan will dispatch a huge delegation of several tens of thousands of people [total as published] to participate in the Asian Games next September in Beijing. On that occasion, they will certainly be welcomed by the people in Beijing and on the mainland. The mainland also welcomes Taiwan entrepreneurs interested in making investments on the mainland. They can run enterprises solely owned by themselves or run joint ventures and cooperation enterprises on the

mainland, thus developing the export-oriented economy. Correspondingly, the Taiwan authorities should further change their policy of restricting investment on the mainland.

This year's NPC and CPPCC sessions indeed showed the bright prospects of the motherland's reunification. In the 1990's, the concept of "one country, two systems" will be realized in Hong Kong and Macao. This demonstrates the strong vitality of this concept. No Chinese people on either side of the strait, except a very small number of people with ulterior motives, want to see permanent separation. The historical trend of the motherland's reunification is irresistible.

Song Jian Views Results of Pollution Control

OW2404193090 Beijing XINHUA in English
0553 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—Haikou, capital of Hainan province in south China, has the least-polluted environment among all the major cities in China.

Dalian, a coastal city in Liaoning Province in northeast China, has had the best results in controlling pollution and improving the environment. Following Dalian were Beijing, Hangzhou, Shenyang and Tianjin.

Song Jian, minister of the State Science and Technology Commission, made the disclosures here on Monday at the 17th meeting of the State Council's Environmental Protection Committee.

Song, also director of the committee, said the other 15 cities following Haikou in the list of the country's major cities with the best environments were Yinchuan, Shijiazhuang, Dalian, Nanjing, Lanzhou, Wuhan, Huhhot, Nanchang, Changsha, Beijing, Guilin, Guiyang, Guangzhou, Tianjin and Urumqi.

The list was compiled after a 1989 national examination of pollution in the three directly administered municipalities and the capitals of the country's provinces and autonomous regions, and Guilin, Suzhou and Dalian.

The examinations focused on air and water pollution, noise control, solid waste disposal, afforestation and other problems.

Compared with 1988, the environment in 25 out of the 32 cities had generally improved in 1989.

Ni Zhifu Inspects Anshan Iron, Steel Company

SK2504041890 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 23 Apr 90

[Text] Recently, while conducting investigations and studies at the Anshan Iron and Steel Company, Ni Zhifu, vice chairman of the Standing Committee of the National People's Congress, and president of the All-China Federation of Trade Unions, pointed out the necessity of conscientiously summarizing Anshan Iron and Steel Company's experience in depending on the

working class to run socialist enterprises well, and the necessity of encouraging still more enterprises to carry out economic rectification and in-depth reform drives with a view to making still greater contributions to the sustained, coordinated, and steady development of the national economy.

At the repairing site of the No. 11 blast furnace of the Anshan Iron and Steel Company, Ni Zhifu said hello to workers by tightly clasping hands with them, and then posed for a picture with them. Ni Zhifu said: Under the new historical condition, the Anshan Iron and Steel Company has depended on the initiative of the masses of workers and on scientific management to perfect and create a wealth of experience for running socialist enterprises well. In particular, under the current difficult situation, the company has wholeheartedly depended on the working class to build itself through self-reliance and arduous struggle, and to energetically carry out technological transformation to develop iron and steel production. The tremendous achievements and contributions made by the Anshan Iron and Steel Company will never be forgotten by the people.

During his stay at the Anshan Iron and Steel Company, Ni Zhifu visited Wang Chonglun, former vice president of the All-China Federation of Trade Unions, who was recuperating at a hospital, and (Wang Suiying), wife of Veteran Hero Meng Tai; viewed the company workers' sparetime painting, calligraphy, and photo exhibitions held at the company's gymnasium; and inspected the condition of urban construction and the workers' residences. Accompanying Ni Zhifu on his visit were Zheng Wantong, vice president of the All-China Federation of Trade Unions; Zuo Kun, vice chairman of the Liaoning Provincial People's Congress Standing Committee; and Li Dezhu, director of the provincial Trade Union Council.

Grass-Roots Trade Union Work Conference Held

SK2504011990 Changchun Jilin Provincial Service
in Mandarin 0930 GMT 21 Apr 90

[Text] The grass-roots work conference of the All-China Federation of Trade Unions ended in Jilin City this morning. The conference stressed that trade union organizations at all levels should consider maintaining close ties with the masses of workers as an important task of the trade unions' work. Trade unions should act in line with the central tasks of enterprises and strengthen self-cultivation while invigorating the overall situation. Cadres of trade unions at all levels should enhance their spirit, improve their work style, gear their work to the needs of the grass roots and the reality, discover and sum up typical cases, give different guidances according to the merits of different cases, and strengthen the vitality of grass-roots trade unions.

At the conference, (Yu Hongen), vice president of the All-China Federation of Trade Unions and first secretary of the Secretariat, gave a speech. He stressed particularly: Trade union organizations at all levels should

firmly foster the idea of serving the grass roots and the workers, realistically place the emphasis of their work in the grass roots, and strive to invigorate the grass-roots trade unions, because this is necessary not only for the self-cultivation of trade unions and reform but also for strengthening and consolidating the flesh and blood ties between the party and the masses of workers.

At the end of the conference, (Xue Gaoyun), secretary of the Secretariat of the All-China Federation of Trade Unions, summarized the conference on behalf of the Secretariat of the All-China Federation of Trade Unions. He said: This grass-roots work conference of the All-China Federation of Trade Unions was very successful. He affirmed the many good experiences made by our province, particularly by Jilin City, in strengthening the grass-roots trade unions work. The broad masses of workers in Jilin City, the trade union cadres, and [words indistinct].

This conference also discussed the suggestions of the All-China Federation of Trade Unions on strengthening the vitality of grass-roots trade unions and deeply carrying out activities on building workers homes.

XINHUA Describes Gansu's Baoan Nationality

OW2304052290 Beijing XINHUA in English
1332 GMT 21 Apr 90

["Baoan Nationality—seventh of series on knowledge about China"—XINHUA headline]

[Text] Beijing, April 21 (XINHUA)—(This story is the seventh in the series on knowledge about China. The series began on April 16.)

China's Baoan nationality is concentrated in three neighboring villages in Jishishan Autonomous County in Northwest China's Gansu Province.

The less than 10,000 Baoan people have their own language and can also speak Chinese. They are Moslems and share many customs with neighboring Hui and Donxiang nationality settlements.

The Baoan people depend mainly on farming, supplemented by animal husbandry and handicrafts.

The name of the nationality group comes from a Ming Dynasty (1368-1644) camp named Baoan and Baoan City. The settling there included Tibetans and Tu from Qinghai Province, Hui and Mongolians from Gansu Province, and officers and soldiers from Linxia. These peoples have gradually merged into one nationality.

The Baoan people have long smelted iron, and have acquired superb skills in making knives. The exquisite Baoan knives are very popular among Tibetans in northwestern China.

Singing and dancing are part of the life of the nationality. Women are good at paper cutting as well as painting and

doing carvings on furniture, household utensils, and on the handles of Baoan knives.

The Baoan people also like wrestling, riding horses, and shooting.

The diet of the Baoan people includes rice, beef and mutton. They avoid eating the meat of pigs, horses, donkeys and dogs.

Publication of 'Good Party History' Expected

HK2504015490 Beijing RENMIN RIBAO in Chinese
14 Apr 90 p 3

[Speech delivered by Bo Yibo (5631 0001 3134) at a Discussion Meeting with the Responsible Persons of Party History Work Departments Around the Country: "Looking Forward to An Early Publication of a Good History of the CPC"]

[Text] Today is probably the first time so many comrades of party history work departments have gathered for a meeting to discuss the way to step up the study of CPC history and to write out as quickly as possible a good history of the CPC. I felt extremely pleased when I saw the lively atmosphere when walking in the meeting hall.

The meeting has invited me to say something. The following three points are my opinion.

First, to write out a good, true official history of the CPC is an urgent, big event. There cannot be any postponement. I said "urgent" because of the following considerations:

1. Since it was born in 1921, our party has travelled for 69 years a long and winding, as well as glorious and great road. Next year will be her 70th anniversary. For all these years, although the departments of party history work and party history workers have done a considerable amount of work, put up diligent labor and have published many general books of party history and much material on it, the efforts still lag far behind the expectation of comrades of the whole party, of a good party history. It is highly incongruous that a 48 million-strong party, which has struggled for half a century for national independence, wealth and power, people's happiness and revitalizing the nation, should not have a full official history.

2. Ours is a highly experienced party. During the Democratic Revolutionary period there occurred the rightist errors of Chen Duxiu and three "leftist" errors. After the Zunyi Conference, Comrade Mao Zedong's leading status in the entire party was established. After repeated contrasts provided by the two victories and two defeats, and after the Yanan Rectification, a high degree of ideological unity and political maturation were achieved in the entire party. There were eleven years between the seventh and eighth party congress, and in these eleven years our party, leading the people of the whole country,

won a brilliant victory in the New Democratic Revolution and Socialist Revolution, and built in China a fundamentally socialist political-economic system. Since then the Chinese people have begun the great process of building a new socialist life. During the process, although grave errors were made and frustrations experienced, tremendous achievements were attained and, as if miraculously, historically unprecedented economic development and social progress were attained, showing initially the superiority of the socialist system, and demonstrating the historical truth that only socialism could save and develop China. Although Comrade Mao Zedong committed serious mistakes toward the end of his life, his lifelong work for the party, state and people is forever indelible. His merit far outweighs his errors. Following the Third Plenary Session of the 11th Central Committee, our party has corrected the past mistakes, summed up historical experiences and those of reality, laid down the fundamental line of building socialism with Chinese characteristics, and attained world renowned achievements in the decade of modernization, reform and opening up. Under the new historical conditions, we have adhered to and developed Mao Zedong Thought, though, of course, some mistakes have been made in specific work guidelines. Whether it has been a success or failure, we should sum it up in the spirit of seeking truth from fact, and turn the experience into valuable treasures for the whole party.

3. It is now nine months from last year's "June Fourth incident." Our country has enjoyed stable prices, social stability, and unity, and the situation has been relatively good. Now we have come to feel the more intimately that the party's and government's approach to the incident has been entirely correct. The "Resolution on Some Historical Issues Since the Founding of the Country" was laid down at our party's Six Plenary Session of the 11th Central Committee. Its evaluation on the merit and errors of Comrade Mao Zedong is pragmatic, impartial, and historically verifiable. This should be attributed to the intelligence of our party and Comrade Deng Xiaoping. If we had not done so, the consequence would only have been ideological confusion and a turbulent political situation. When we think of this, we feel all the more urgently the need for a party history which seeks truth from fact. Such a party history will have great practical as well as profoundly historical significance for educating the people of today and tomorrow, and for continually advancing socialist undertakings under party leadership.

4. In my opinion we now have all the basic conditions for writing out a party history. The two "Historical Resolutions" adopted by the Seventh Plenary Session of the Sixth Central Committee and Sixth Plenary Session of the 11th Central Committee can be, in my opinion, taken as the framework for the party history. The Central Archives Bureau has a wealth of the party's historical material. The former Central Committee for Collecting Party Historical Material has also collected much material after years of diligent efforts. The Society of

Research in the History of the CPC has completed a draft party history of the pre-country founding period. Of course there need to be revisions, much work remains to be done and great efforts are still needed. In any case there is now a basis for us to revise on.

5. The proletarian revolutionaries of the older generation who are still healthy and alive are getting advanced in age, and there are not too many senior comrades who understand and have experienced the history of the past. On natural law, old comrades will grow increasingly older and their number get fewer from year to year. We must take advantage of the favorable condition that the proletarian revolutionaries of the older generation are still alive and write out a history of the party. If we continue to postpone it we may incur irreparable loss. Therefore the project is so urgent that no time should be lost, and there cannot be any more postponement. This is the first as well as the chief point I would like to make.

Second, we must distinguish, analyse, and study the historical material on the party with real efforts so that the original historical face can be restored in full. Comrade Qiao Mu, being an expert in the field, will address the question of writing the party history. I will only state some of my feelings. I did not read all of the published literature on party history, though I do leaf through some of them occasionally. This is particularly true for party historical material on places which I am familiar with, like Huabei region. And any page I happened to read I have often found mistakes. I cannot be considered the most senior as far as Shanxi is concerned. Comrade Peng Zhen is still healthy and alive, he is older than me, and he knows more than I do about Shanxi's history, or at least about the beginning period. I feel that definite conclusions on some historical issues are relatively difficult. To cite one instance, there are different opinions on evaluations on Zhongyi (Wang Zhenyi by another name). Wang was from Yangao, Shanxi. He was responsible for students and workers early after the party was established and an alternate member of the sixth Central Committee. He could be viewed as a fairly famous figure in Shanxi. However, he had become rather passive before the Third Plenary Session of the Sixth Central Committee. In 1931 he joined the "Extraordinary Committee." The same year he was dispatched by the committee to work in the north, and there he mingled with Han Lunfu, a person who had quit the CPC. Later he was arrested and thrown into prison, went insane, and died there. Although he was a party member in the early periods and had done work, he did not fare well. I have received some letters from local comrades who insist on putting him into party history. My personal opinion is, although he did not betray any of our comrades, nor did anything bad, judging from his entire background and performance he cannot be taken as a good revolutionary in any sense. He needs to be distinguished carefully. As I said moments ago, there are still some old comrades who are alive and well. If they were gone, matters of the kind would never come to light, and some people may be written in history as revolutionaries. Local people may

consciously and unconsciously like to write more and better about "famous figures" from their localities. Therefore, in my opinion, it is of course important to collect material on party history, but more important still are studying, analysing, distinguishing, and arriving at correct and pragmatic judgment on the material.

Third, we must pool our efforts and fully cooperate. There used to be a Party History Research Office, Archives Research Office, and Committee for Collecting Historical Material on the Party at the central authorities which were responsible for the work of party history. The Party History Research Office has now merged with the collecting committee, which was a very important move. Because writing a party history is intimately related with material collection, it will only do good for the two to be combined. Efforts may be pooled, like being twisted into a rope: it will be convenient for leadership and good for the job. Apart from the coordination of central party history work departments, support and coordination from local counterparts, research institutes, party history workers, and archives offices around the nation are also needed. I believe, with the leadership of the Central Committee, Comrade Shangkun's support, Comrade Qiao Mu's concern and specific guidance, and, headed by Comrade Hu Sheng and with full cooperation from party history work departments across the country, a history of the CPC, which is anticipated by comrades of the entire party, will be published soon.

New Edition of Lenin's Collected Works Published

OW2504004790 Beijing XINHUA in English
0640 GMT 21 Apr 90

[Text] Beijing, April 21 (XINHUA)—Forty-three volumes of a new Chinese edition of the 60-volume "Collected Works of Lenin" have been published to mark the 120th anniversary of Lenin's birth, which falls tomorrow.

The rest of the edition will be published later this year.

These are the first complete classical Marxist works compiled, translated and edited independently by the Central Compilation and Translation Bureau of the Chinese Communist Party, and the most complete edition ever published.

Included in the works are nearly 10,000 writings, letters and notes, 6,000 pieces more than in the first 39-volume Chinese edition published in 1959.

The new edition is based on the fifth Russian edition of the works of Lenin while containing new articles and writings published in Soviet newspapers in recent years. Some of the contents have been translated into Chinese for the first time, while some of the previous translations were revised to make the pieces more accurate and faithful to the original.

Books on Opium War, U.S. 'Aggression' Promoted*OW2404180190 Beijing XINHUA Domestic Service
in Chinese 2139 GMT 19 Apr 90*

[Text] Beijing, 20 Apr (XINHUA)—The Beijing Distribution Office and the Scientific and Technological Materials Distribution Office of the Xinhua Bookstore are actively preparing the shipment of a number of books on the history of the Opium War to various parts of the country.

The 150th anniversary of the Opium War falls this year. At present, the educational and administrative departments at various levels are taking the opportunity to carry out various forms of education in patriotism among college and middle and primary school students.

To support this education in history, the Beijing Distribution Office and the Scientific and Technological Materials Distribution Office of the Xinhua Bookstore are putting on sale a number of books on the Opium War. They include "Stories About the Opium War", published by Chinese Children's Publishing House; "Pictorial Stories About the Opium War", published by the People's Fine Art Publishing House; "The Opium War and the Second Opium War", published by the China Social Publishing House; and "Hanging Charts About the History of the Opium War", published by the People's Educational Publishing House.

In addition, a number of other books are being ordered from various places. They include "Pictorials of Modern History of China", published by the People's Fine Art Publishing House; "History of the First Sino-Japanese War" and "Religious Uprisings in the Late Qing Dynasty", published by the People's Publishing House; "Power Politics of the United States", "Peaceful Evolution Strategy of Western Nations", and "Comparison of Two Roads of Development of Economically Backward Countries", published by the Higher Education Publishing House; "History of U.S. Aggression and Antagonism Against China" published by the Education and Science Publishing House; and "A Brief Analysis of U.S. Democracy", published by the Qinghua University Publishing House.

Expanded Program on Child Immunization Promoted*OW2404232190 Beijing XINHUA in English
1227 GMT 24 Apr 90*

[Text] Beijing, April 24 (XINHUA)—China has installed cold-chain facilities for the storage and transportation of vaccine to provide immunization over vast areas inhabited by at least 95 percent of its people.

This was revealed at a news conference today to mark the national EPI (expanded program on immunization) publicity day set for April 25. The subject of this year's publicity day is "eliminating polio."

Addressing the conference, Dai Zhicheng, a senior official from the Public Health Ministry, said that in 1985

the Chinese Government declared that China would achieve the goal of universal child immunization in two steps: by immunizing 85 percent of children in every province by 1988 and 85 percent of children in every county by 1990.

In 1989, a national EPI review was jointly conducted by China, UNICEF and the World Health Organization (WHO). The results showed that China had successfully achieved its first step by 1988.

However, in 1989 about 4,623 cases of polio were recorded.

This, said Dai, shows that the vaccination coverage is still not wide enough and China's epidemic disease monitoring facilities cannot meet the needs of the society.

He said the second step of achieving the EPI goal and the task of eliminating polio are still very pressing at present.

He thanked UNICEF, the WHO and a number of other international organizations for their financial, material and technical help for China's EPI work.

Tomorrow various publicity activities will be carried out across the country to further popularize knowledge of EPI among the people.

Present at today's occasion were also officials from the WHO and UNICEF, who highly praised China's achievements in EPI work.

Model Workers, Advanced Models To Be Honored*OW2504021990 Beijing XINHUA in English
0135 GMT 25 Apr 90*

[Text] Beijing, April 25 (XINHUA)—More than 1,060 model workers and 430 advanced enterprises will be awarded labor medals and certificates at a ceremony to be held in the Great Hall of the People in Beijing April 27.

The workers and enterprises are cited for outstanding contributions to the economic reforms, China's modernization drive and the campaign to increase production and practice economy.

They include 326 workers, 220 factory directors and managers, 59 engineers, 26 scientific researchers and a number of educators, artists and medical workers.

Some model workers and representatives of advanced enterprises will give reports in the Great Hall of the People on May 8 and then tour the country to give accounts of their achievements and personal experiences.

Comparison of Liu Fuzhi's Work Report
OW1904125490

Beijing XINHUA Domestic Service in Chinese at 0058 GMT on 9 April transmits a report by Liu Fuzhi, chief procurator of the Supreme People's Procuratorate, on the work of the procuratorate to the Third Session of the Seventh National People's Congress [NPC] on 29 March 1990. This text has been compared with the RENMIN RIBAO version published in the 18 April China DAILY REPORT, pages 14-22, and found to be identical except for the following variations:

Page 14, column one, paragraph one, first sentence reads: [Text] Beijing, 9 Apr (XINHUA)—Report on the Work of the Supreme People's Procuratorate At the Third Session of the Seventh National People's Congress on 29 March 1990

[By] Liu Fuzhi, chief procurator of the Supreme People's Procuratorate

Fellow Deputies: (adding paragraphs)

Page 14, column two, paragraph four, only sentence reads: In an effort to punish corruption and bribery the procuratorial organs mainly did the following seven things: (adding words)

Page 14, column two, paragraph five, sentence two reads: In accordance with our party and state's consistent policy of "combining punishment with lenient treatment" toward criminal offenders and based on Articles 59 and 63 of the Criminal Law, Article 101 of the Law of Criminal Procedure, and the "Additional Regulations on Punishing Corruption and Bribery" adopted by the National People's Congress [NPC] Standing Committee in January 1988, the circular stipulates that all grafters, bribees, and speculators who surrendered themselves to the judicial organs, confessed their crimes, returned the bribes, or informed against other offenders in the period between 15 August and 31 October would be given lenient treatment, such as mitigated or annulled punishment. (wording changed)

Page 15, column one, first partial paragraph, sentence six reads: A total of 3,395 offenders had grafted or taken bribes of over 10,000 yuan each. Of these, 239 had grafted or taken bribes of from 50,000 to less than 100,000 yuan, 78 from 100,000 to less than 500,000 yuan, three from 500,000 to less than 1 million yuan, and three of over one million yuan. (adding words)

Page 15, column two, paragraph three, first sentence reads: The practice of implementing the "circular" proves that it is very correct to urge those who have committed corruption and bribery to surrender themselves and confess their crimes so that they can be treated leniently according to the law. (adding words)

Page 15, column two, same paragraph, sentence four reads: It shows the great influence of the party's policy, the deterrent force of the state laws, and the consistent resolution of the party and the state and has urged tens of

thousands of criminals to surrender themselves and confess their crimes. (adding words)

Page 15, column two, same paragraph, penultimate sentence reads: A number of people who were sliding down the evil and criminal road have been saved and many important clues for violations of the law have been exposed. (wording changed)

Page 15, column two, last partial paragraph, first sentence reads: 2. Strength was concentrated on the investigation and handling of major and serious cases. Starting with the People's Supreme Procuratorate, the chief procurators at all levels have personally handled some major and serious cases. They have offered guidance for investigations and solutions of cases and paid close attention to progress to discover problems as they occurred, and to exercise leadership. According to this system, the major and serious cases in the central state organs and those involving cadres at and above the provincial and ministerial level are chiefly investigated and handled by the Supreme People's Procuratorate; cases involving cadres at the departmental and bureau level are chiefly investigated and handled by the provincial, autonomous regional, and municipal people's procuratorates; and those involving cadres at the county and section chief level are chiefly investigated and handled by the prefectural, city, autonomous prefectural people's procuratorate. Over the past year the Supreme People's Procuratorate has chiefly investigated and handled 25 major and serious cases which occurred in central and state organs or involved some localities. (wording changed— NOTE: wherever it appears throughout the text, replace the phrase "major and important cases" with "major and serious cases")

Page 16, column one, paragraph one, first sentence reads: In 1989, the procuratorial organs placed a total of 13,057 major corruption and bribery cases, each involving more than 100,000 yuan, on file for investigation and prosecution. (adding words)

Page 16, column one, same paragraph, sentence three reads: Some 875 cadres at and above the county and section chief level involved in serious corruption and bribery cases were investigated and dealt with accordingly, 350 percent higher than the previous year's figure of 194. (wording changed)

Page 16, column one, same paragraph, sentence nine reads: When the Railways and Transportation Procuratorial Department of the Supreme People's Procuratorate and the Henan Provincial People's Procuratorate were investigating an especially serious bribery case involving Pan Keming, deputy director of the Zhengzhou Railway Bureau (who was arrested for taking over 100,000 yuan in bribes), and Xu Jun, former director of the Transport Bureau of the Ministry of Railways (who had been arrested for graft and taking more than 120,000 yuan in bribes), Luo was found to have serious problems of dereliction of duty and taking bribes. (wording changed)

Page 16, column two, first partial paragraph, sentence three reads: Some other examples: In an especially serious corruption case involving Wang Naigang, a deputy section chief in the Pretrial Bureau of the Ministry of Public Security, it has been verified that Wang made use of the opportunity to import foreign equipment to make 23,000 yuan and HK\$345,000 in graft. (wording changed)

Page 16, column two, last partial paragraph, sentence three reads: Since the founding of New China, through our repeated struggles and rectifications, corruption and bribery offences have been greatly reduced. (deleting words)

Page 16, column two, same paragraph, sentence five reads: In our opinion, there are historical reasons, the influence of capitalism from outside, and the shortcomings in our work. Under the new situation of reform and opening up over the past few years and because of imperfections in our legal system and in our rules and regulations—and other reasons such as loopholes in our work and ineffective countermeasures, especially the fact that our ideological and political work was once weakened—the rotten ideology of “putting money above anything else” once spread unchecked and, in some localities and departments, some grafters and bribees have taken this opportunity to carry out their activities. (wording changed)

Page 17, column one, first partial paragraph, sentence two reads: It is necessary to launch a protracted and deep-going campaign to encourage the masses to inform against such crime and build up a mass momentum against corruption and bribery. (wording changed)

Page 17, column two, paragraph four, second sentence reads: In view of the fact that some cadres and masses had some confused ideas and had set the campaign against corruption and bribery against developing the socialist planned economy, the people's procuratorates and judicial administrative departments at all levels coordinated with such propaganda organs as newspapers and television and radio stations in using typical corruption and bribery cases, which were familiar to the people, to publicize the party's policies and state laws and explain the significance of the struggle against corruption and bribery in stabilizing the situation, improving the economic environment, rectifying the economic order, and deepening reforms, so as to strengthen the sense of law of both cadres and masses. In 1989, 15 provincial or municipal procuratorates held large or medium exhibitions on the campaign against corruption and bribery, which were visited by large crowds of people and which produced good social effects [she hui xiao guo 4357 2585 2400 2654]. (wording changed)

Page 18, column one, paragraph one, first sentence reads: All the achievements in procuratorial work were made under the leadership of the party Central Committee and the party commissioners at all levels, under the supervision of the NPC and its Standing Committee

and the local people's congresses and their standing committees at all levels, and with the support of the State Council and the people's government at all levels. (adding word)

Page 18, column one, same paragraph, sentence four reads: The government at all levels helped them solve many practical difficulties, such as shortage of funds and necessary investigation equipment. (adding word)

Page 18, column one, paragraph three, first sentence reads: In the course of developing the socialist planned commodity economy the corrosive influence of the decadent ideology and life style of the exploiting class and the inroads of the ideology of bourgeois liberalization will continue to exist for a long time. (adding words)

Page 18, column two, first partial paragraph, first sentence reads: The struggle against the corrosive influence, infiltration, and peaceful evolution will be a long-term one. (wording changed)

Page 18, column two, same paragraph, last sentence reads: We must educate the broad masses of procuratorial personnel to gain a profound understanding of the importance of adhering to the people's democratic dictatorship so that they can be well prepared mentally and maintain high vigilance to do the work regarding the people's democratic dictatorship even better. (adding words)

Page 18, column 2, paragraph four, only sentence reads: II. On Relentless Blows at Serious Crimes (adding word)

Page 19, column two, paragraph one, first sentence reads: 2. To maintain social order, procuratorial organs, in close coordination with public security organs, people's courts, and judicial administrative departments, actively took part in cracking down on serious crimes of larceny, abduction, and selling of women and children, damaging of post and telecommunications equipment, and the special campaigns to “eliminate pornography” and get rid of the “six vices.” (wording changed)

Page 19, column two, last partial paragraph, first sentence reads: 4. With regard to work of supervising units charged with reform of criminals through penal labor under surveillance in 1989, 24,579 proposals were made to these units to correct violations of the law and 382 criminal cases were investigated and handled, involving ward police from these units who were found to have tortured and inflicted corporal punishment on criminals under surveillance, embezzled for personal gain, released convicts without authority, and sought and accepted bribes. (changing number)

Page 20, column one, paragraph one, first sentence reads: 5. To deal with the chaotic public order on a few rail lines, railway transportation procuratorates at different levels voluntarily cooperated with railway public security organs and courts in cracking down on criminals fleeing on trains. (wording changed)

Comparison of CPC Decision on Ties With Masses
OW2004195690

Beijing XINHUA Domestic Service in Chinese at 1101 GMT on 20 April carries an apparent text of a decision of the CPC Central Committee on Strengthen Ties with the Masses, which was adopted at the Sixth Plenary Session of the 13th CPC Central Committee on 12 March 1990. The XINHUA Domestic Chinese version has been compared to the XINHUA English version published in the 20 April China DAILY REPORT, pages 21-26, and found to be identical except for the following:

Page 21, column one, paragraph one, first sentence reads: Beijing, 20 April (XINHUA)—Decision of the CPC Central Committee on Strengthening Ties With the Masses (adopted at the Sixth Plenary Session of the 13th Central Committee of the CPC on March 12, 1990) (deleting introductory paragraphs)

Page 22, column one, paragraph five, only sentence reads: III. Leading cadres at all levels must periodically go deep down to the grass roots, work among the masses in a down-to-earth way, and implement the party's policies and guidelines in detail. (adding word)

Page 23, column one, last paragraph, sentence four reads: However, there are still many problems, some very serious. Efforts should by no means be slackened. With the implementation of the policy of reform and opening to the outside world and the development of the commodity economy, Communist Party members should strive to be even more honest and steadfast in their work and resolutely combat corruption. (adding word and sentence)

Page 23, column two, paragraph two, last sentence reads: Those who violate the requirements again must be punished severely. (adding word)

Page 23, column two, paragraph three, second sentence reads: They should strictly deal with those who, by abuse of their powers, engage in extortion, bribery, graft, embezzlement, or illegal distribution of public funds and properties, and those cadres working in the party and governmental departments who illegally build private houses. After each case is verified, economic and disciplinary punishments should be rendered based on the different situations. (adding words)

Page 23, column two, paragraph four, first sentence reads: 3. The investigation and handling of major and serious cases should be stepped up. (adding words)

Page 23, column two, same paragraph, last sentence reads: No one should abuse his position and powers to interfere in the investigation and handling of such cases. (adding words)

Page 23, column two, paragraph five, sentence four reads: The administrative units and the public facility departments should be supported in their continued

efforts to make public their regulations and achievements in dealing with problems that are directly related to the interests of the masses, and to step up the system of supervision by the public. (adding words and wording changed)

Page 24, column one, paragraph three, last sentence reads: No one is allowed to be a special party member. (wording changed)

Page 24, column two, first partial paragraph, first sentence reads: It is not allowed to ignore them, merely pass them on from one level to another, shift responsibility or leave cases unsettled. (adding phrase)

Page 24, column two, first paragraph, last sentence reads: The system for democratically assessing leading cadres should be persisted in and approved. (adding word)

Page 24, column two, paragraph two, second sentence reads: Party committees should support public opinion organs in exposing and criticizing, in accordance with related regulations, actions against the party's line, principles and policies and laws of the nation, and phenomenon seriously encroaching on interests of the masses. (adding word)

Page 24, column two, paragraph three, first sentence reads: The party Central Committee and committees of the provinces, autonomous regions, and municipalities directly under the central government can send inspection work groups to localities and departments, according to needs, and authorize the groups with necessary power to carry out supervision and examinations of problems, and make reports to the committees. (adding phrase)

Page 24, column two, paragraph five, last sentence reads: They should subordinate themselves conscientiously to the interests of the nation and the people if contradictions occur between the interests of individuals or small groups and those of the nation and the people as a whole. (wording changed)

Page 24, column two, last partial paragraph, first sentence reads: Together with leading administrative members, party organizations in enterprises should seriously carry out the policy of relying on the working class wholeheartedly, respect the workers' status as masters, safeguard their democratic rights, support the workers' congresses in exercising their legitimate functions and powers, bring into full play their role in participation in the decisionmaking and management of the enterprises and in supervising cadres, and give full play to the workers' role in developing production, and improving management and rational distribution (wording changed)

Page 25, column one, paragraph four, first sentence reads: The party's grass-roots organizations have shouldered heavy tasks and the majority of them have fighting power. (wording changed)

Page 25, column one, same paragraph, last sentence reads: The leading bodies should gear themselves to the needs of the grass-roots and serve them. (deleting word)

Page 25, column one, paragraph five, last sentence reads: Party organizations at superior levels should find out about the situation and the real reasons for this so as to adopt effective measures to step up the rectification and help them change the situation. (adding phrase)

Page 25, column two, paragraph five, first sentence reads: Television and radio stations and newspapers should give more publicity to ordinary people, fully featuring the creative work, advanced thoughts and exemplary deeds of the workers, peasants, intellectuals and officers and men of the Liberation Army. Leading cadres' activities of general sort and ordinary work meetings should not be openly reported. (wording changed and adding word)

Page 25, column two, last partial paragraph, second sentence reads: The regions and departments should strive to achieve evident progress in promoting the relations between the party and the people in the next two years, and do solid work to solve those problems people are most concerned about while the conditions for their solution exist. (wording changed)

Science & Technology

Advances in Low-Temperature Technology Announced

OW2404224690 Beijing XINHUA in English
1205 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—China has made a number of significant achievements in low-temperature technology, which is playing an increasingly important role in the country's development of rocket boosters, satellite ground model testing, space remote-sensing technology, medicine, nuclear physics and high-temperature super-conductors.

According to Chinese researchers who are attending the 13th International Cryogenic Engineering Conference, which opened here today, researchers from the Chinese Academy of Sciences and the Ministry of Aerospace have developed rocket boosters fueled by liquid hydrogen and oxygen, satellite ground model test apparatus, infrared remote-sensing technology, and low-noise mini-refrigerators for satellite ground stations.

In low-temperature superconductivity research China is now capable of mass-producing low-temperature superconducting wire and magnetic materials.

In high-temperature superconductivity research, Chinese physicists have recently set a new world record in seeking new high-temperature superconducting materials.

Researchers from the general research institute for non-ferrous metals announced at today's meeting that they

had produced last month a new superconducting material whose value of critical current density has reached 23,800 ampere per sq cm, 10 times higher than the previous world record.

Researchers from the cryogenic laboratory under the Chinese Academy of Sciences have devised a cold neutron source cryogenic system in the Beijing Heavy Water Research Reactor. This, the meeting was told, is unique in Asia and a powerful tool in the study of biological and chemical molecular structures.

Meanwhile, low-temperature surgery is now being widely practised in China. The research into cold-temperature preservation of organs for transplant operations is in progress. And sperm preserved in liquid nitrogen is now widely used in animal husbandry and medicine.

About 400 scientists from 17 countries including Japan, the Soviet Union, the United States, Italy, France, Britain, Federal Germany and China are attending the four-day conference, which will focus on the application of low-temperature engineering in space technology, electronics and biology, and high-temperature superconductors.

Satellites Position 500 Ground Stations

OW2404122290 Beijing XINHUA Domestic Service
in Chinese 2153 GMT 19 Apr 90

[By reporter Xu Bo]

[Text] Chengdu, 20 Apr (XINHUA)—According to the national conference on surveying and cartographic science and technology held here, the nation has set up 500 stations on land and at sea using satellites for ground positioning [da di ding wei 1129 0966 1353 0143]. These stations, which constitute a nationwide network for surveying and control using satellites, make China one of the countries in the world having the largest number of stations using satellites for positioning purposes.

Experts say that with the exception of southwest China, the project to set up stations using satellites for ground positioning has been basically completed. These stations, along with traditional astronomical geodetic ground stations, make up a highly accurate and dense land-based surveying and cartographic system.

According to the experts, China has also made gratifying headway in setting up a surveying and cartographic control system at sea. The nation has already built five stations in the Xisha and Nansha islands using satellites for positioning. This has initiated cooperation between small islets and the continent. The positioning technology used on the small islets is advanced technology widely adopted during the 1980's for global positioning operations. This is highly accurate technology that has a wide scope and is not affected by weather or terrain.

In 1986, shortly after the nation set up its ground network using satellites for positioning operations, the

Wuhan University of Surveying and Cartographic Science and Technology and the Ministry of Petroleum collaborated in setting up a network in northwest China using satellites for positioning purposes. The network, which covers an area of approximately 3 million square km, has accurately determined the parameters of coordinate changes [zuo biao zhuan huan can shu 0976 2871 6567 2255 0639 2422] of the Junggar, Qaidam, and Tarim basins in northwest China. This increased the Doppler accuracy of satellites and put an end to the situation where production needs could not be satisfied because of old, inaccurate parameters being used for oil prospecting in the three large basins. This technology promptly caught the attention of the State Bureau of Surveying and Cartography, the Chinese Academy of Sciences, the Ministry of Petroleum, the Ministry of Geology and Mineral Resources, and the State Oceanography Bureau. An even larger body of lateral cooperation was promptly set up to expand the network to all parts of the country. Meanwhile, this technology has been playing a more effective role in other areas of search and application.

Experts believe that the ground and sea network using satellites for positioning operations will be completed soon.

Military

Domestic Responsibilities of PLA Stressed

HK2404010490 Beijing JIEFANGJUN BAO in Chinese
27 Mar 90 p 3

[Article by Wang Cunzhu (3769 1317 6999): "Persist in Performing Domestic Functions of the People's Army"]

[Text] To quell turmoil and counterrevolutionary rebellion which happened in the spring and summer of last year, many Army units undertook the task of enforcing martial law in some areas of Beijing. At that time, some advocates of bourgeois liberalization said that the Army must not be used to meddle in state affairs. This raised a serious question: Apart from performing its functions of resisting the enemy and defending the nation, should our Army perform its domestic functions? Both theories and practice have given an affirmative answer to this question.

1. The Domestic Functions of Our Army Coexist with the People's Dictatorship, and Under the Conditions That Class Struggle Still Exists, the Domestic Functions of Our Army Must on No Account Be Weakened

According to Marxist theories on the state, the Army is an important component part of the state power. The Army of any country as an important component part of state power and must perform its dual functions in dealing with external and domestic affairs. Our Army is a people's army under the leadership of the CPC, and a main pillar of the people's dictatorship. It must perform

the following two functions: Guarding against and resisting aggression by external enemies, and defending the security and territorial integrity of the state; preventing subversion by the hostile forces to safeguard peaceful labor of the people, and give peace and stability to our country. Comparatively speaking, although the external functions of our Army are essential, its domestic functions are also very important. We must never neglect or overlook the domestic functions of our Army. In particular, in the initial stage of socialism in our country, although the exploiting class as an integrated class has been eliminated, and class struggle is no longer a major struggle in our society, there are still forces which are hostile to the Communist Party and the socialist system in addition to the ideology of the exploiting class. Class struggle has still existed in a certain scope, and under certain conditions it might become more acute. In the meantime, class struggle at home is always linked with international class struggle. International capitalist reactionary forces never stop their political, ideological, and cultural infiltration against China. They never stop supporting and assisting the development of antiparty and antisocialist forces. Our People's Republic is still threatened by both domestic and international hostile forces which collude with each other. In this situation, we must be prepared for danger in times of peace. We must think of the danger coming from outside and never forget the danger at home. Our people's dictatorship must on no account be weakened. As a pillar of the people's democratic dictatorship, the domestic functions of our Army of giving peace and stability to our country must not be weakened.

As early as in 1980, Comrade Deng Xiaoping reminded us that we must not underestimate those who played a political plot. Regarding the so-called "liberal democrats," anarchists and egoists, and so on, "although they are different in nature, under certain circumstances, they can gang up with one another to become a sabotaging force, causing very serious turmoil and losses." Comrade Deng Xiaoping's prediction was justified by the turmoil and counterrevolutionary rebellion of last year. A handful of persons who stuck to the stand of bourgeois liberalization and had been engaged in political plots for a long time collaborated with hostile forces both at home and abroad to provide those illegal organizations with top secrets of the party and state. By making use of the international situation and their foundation at home, they got together with some elements who were released after serving a sentence but had not reformed themselves well, some political hooligans, remnants of the "gang of four," and other dregs of society to stir up in a planned, organized, and premeditated way turmoil and counterrevolutionary rebellion in the Beijing area aimed at negating the leadership of the Communist Party and the socialist system. At this critical juncture, which concerned the life and death of our party and state, in accordance with the instructions issued by the CPC Central Committee and the State Council, our Army faithfully performed its domestic functions of defending

the state power, maintaining social stability, and safeguarding peaceful labor of the people. It worked together with the Armed Police Forces, public security cadres, and policemen to make great contributions to stopping and quelling the counterrevolutionary rebellion. The victory of the political struggle has further shown that our Army can play an extremely important role. Our People's Army led by the party is the defender of our country, socialism and the interests of the people.

Foreign hostile forces and some persons in our country who stick to the stand of bourgeois liberalization coordinate with each other from afar to attack our country, saying that China must not use troops to meddle in state affairs. Such an attack is untenable. It is known to all that at present armies in various countries in the world have their own domestic functions to perform. Some countries have specially formulated relevant laws and decrees to ensure that their armies can smoothly exercise their functions. For example, the United States formulated laws in this regard. In the 1960's, students' antigovernment demonstrations were held in some parts of the United States. The U.S. authorities used troops to quell the demonstrators. Of course, the people's armies of socialist countries are different in nature from the armies of capitalist countries. Domestic functions of the armies of the capitalist countries are characterized by their suppression of the proletariat and defense of the rule of the monopoly capitalist class. The domestic functions of our People's Army are characterized by crushing the conspiracy of the hostile forces of subverting the socialist state power, maintaining social stability, and protecting fundamental interests of the people. We have now won our decisive victory in stopping turmoil and quelling counterrevolutionary rebellion. The Fourth Plenary Session of the 13th CPC Central Committee has put forward a major strategy for maintaining a lengthy and peaceful reign in our country, and adopted various measures aimed at strengthening our base to eradicate factors which will lead to turmoil. Under such circumstances, hostile forces do not dare to take reckless action. However, we must on no account lower our vigilance. We must realize that various hostile forces both at home and abroad will not resign themselves to defeat, and that in the future they will continue to seek a new opportunity to have a trial of strength with us. International hostile forces will not change their objective of subverting our socialist system and will continue to implement their tactics of "peaceful evolution." There will be long-term and complicated struggles between subversion and antisubversion, between turmoil and stability. Ideologically, we must be fully prepared for all this. We must never weaken the domestic functions of our Army. In recent years, some people talked a lot about "land of the virtue and brotherhood," and completely forgot about class struggle. They neglected the status and role of our Army. This kind of viewpoint was very harmful. The domestic functions of the People's Army have always coexisted with the people's democratic dictatorship. Under the condition that class struggle has still existed and that it can become acute, the people's democratic

dictatorship must not be weakened. We must strengthen our concept on the domestic functions of our Army, and never disarm ourselves.

2. The Domestic Functions of Our Army Will Ensure That the Army Will Play Its Role in Stopping Turmoil and Quelling Counterrevolutionary Rebellion. All This Can Be Reflected Through the Deterrence and Influence of Our Army.

Our People's Army is not only a military force, but also a political and ideological force, as well as a force of new morals. In this sense, during the peacetime period, our Army performs its functions mainly in the following three ways.

First, our Army will play its role in stopping turmoil and quelling counterrevolutionary rebellion. Various means and conditions are needed to consolidate the socialist state power and ensure the stability of the society. The Army is the most powerful backing of the state power and can play its decisive role. Under general conditions, public security cadres and policemen and the Armed Police Forces undertake the task of maintaining stability and normal social order. There is no need for us to use the Army. However, once serious turmoil occurs, and especially when counterrevolutionary rebellion happens, the social order is undermined, and our state power is seriously threatened. When this problem cannot be solved by simply relying on public security forces and legal and administrative means, the Army must be directly used. In accordance with the policy decision of the CPC Central Committee, the State Council, and the Central Military Commission, the Army must exercise control over the development of the situation, and stop the turmoil promptly to perform its functions of dictatorship to resolutely put down turmoil or rebellion.

Take last year's great turmoil and counterrevolutionary rebellion for example. If Comrade Xiaoping and other revolutionaries of the older generation had failed to resolutely make the decision and promptly order the Army to intervene and impose martial law on certain districts of the capital, the country would not only have suffered heavier losses but would have been faced with a dreadful situation. Practice has shown that it is our Army's prime duty to stop turmoil, quell counterrevolutionary rebellion, and smash any subversive conspiracy plotted by hostile forces. To be sure, this is a mission that has to be carried out only under special circumstances. But class struggle is always independent of man's will. We may seldom face a crisis, but we must never lower our guard at any time. We must always bear in mind this holy mission of the Army and be always ready to undertake and accomplish the mission.

Second, our Army will serve as a deterrence against hostile forces. The Army is a very powerful deterrent force. Therefore, while class struggle still exists within a certain scope, the existence of this People's Army can scare the hostile forces, forcing them to apply some restraint in staging antiparty and antisocialist activities

or even give up their attempt to launch hostile operations against the interests of the state and the people. This invisible deterrent force is an important guarantee of social stability. How powerful our Army's deterrent force is will depend on its fighting capacity. At present, our Army's development is subject to restrictions due to its own conditions and other social conditions, and it is facing many difficulties in terms of financial and material resources. The greater the difficulties we face, the greater the initiative we must display in overcoming difficulties and raising the Army's fighting capacity.

Third, our Army is to exert ideological and political influence on society. During the years of revolutionary war, our People's Army was a showcase of new thinking and new moral standards. As the troops fought around the country, they spread their influence everywhere they arrived. Nowadays, although the country has experienced great changes, our Army's political and ideological strong points and special characteristics are not changed. As an armed force to carry out revolutionary and political missions, our Army has firm political faith and is armed with advanced ideology, a strong sense of discipline, and a fine work style, backed up by powerful ideological and political work. This Army still has very strong influence on the whole society. Constantly exerting such influence on society is a requirement for and an expression of the Army's domestic functions. It is particularly so at the present stage when both the Chinese and foreign hostile forces are trying by every means to publicize and spread bourgeois political thinking, values, and the degenerate lifestyle of the West, with a view to confusing people, corroding their souls, and affecting the peaceful evolution of our socialist system. The struggle between the forces for and against peaceful evolution has become a focus at present and will remain so in the days to come. Whether we can win the victory in the struggle against peaceful evolution is the key to guaranteeing social and national stability. Such being the case, this is still more an unshirkable duty for our Army. The better our Army performs in political, ideological, and moral development and the more extensive and deeper influence it has, the greater role it will play in enhancing the whole country's political standard, spiritual civilization, and social stability. This function of the Army is significant to continuing political stability in this country. In this connection, every member of the Army should display a high sense of responsibility, "setting himself as an example for others."

3. To Perfectly Perform Its Functions at Home, Our Army Must Submit to the General Political Needs, Obey the Party's Leadership, and Correctly Handle Two Kinds of Contradictions of Different Natures

Our Army's domestic functions, especially the mission of stopping turmoil and quelling counterrevolutionary riot or rebellion, are not purely military operations but integrated military and political operations. To fight this special battle, we must not only consider the military aspect but also the political aspect and the general situation as well. Only in this way will we be able to act

properly and accomplish more satisfactorily the mission that the party has entrusted to our Army.

The CPC is the force at the core leading our cause forward. Upholding the party's absolute leadership over the Army, following the party's instruction in everything, and always readily keeping in line with the CPC central authorities politically, ideologically, and in deed—all these are the fundamental guarantees for our Army to perfectly perform its duties at home. In the complicated struggle, all members of our Army, officers and soldiers alike, must keep firm faith in the correct leadership of the CPC central authorities in any place and at any time, and wholeheartedly implement all the decisions of the party's central authorities. They must particularly maintain political steadfastness at a time when rumors are spreading everywhere, when it is difficult to distinguish right from wrong, and when those with ulterior motives are trying to stir up trouble and sow discord. Only if we can keep firm faith in the party's leadership and unswervingly implement the party's instructions, will we be able to adhere to the correct political orientation in the storm of struggle, maintain a high degree of unity and stability, and serve well as the mainstay of the people's democratic dictatorship. Not long ago, our Army stood the test in the struggle to stop turmoil and quell counterrevolutionary rebellion. The fundamental reason why the Army can stand the test is because it has upheld the principle of "obeying the party's orders in all actions."

One of the important questions that our Army has faced and will continue to face in performing its duties at home is how to correctly handle the two kinds of contradictions of different natures. At the present stage, when the hostile forces plan to stir up turmoil and riot, they will always make use of grievances among the masses, resort to demagoguery, incite the masses, and mix with the masses to carry out antiparty and antisocialist activities. Class struggle usually displays a high degree of complexity as a wide variety of contradictions within the people mix with the contradictions between us and our enemy, and it is difficult to distinguish between good and bad people and between opposite camps. Under such circumstances, any improper action may be used by a small number of hostile elements and the situation may deteriorate. Correctly handling the two kinds of contradictions of different natures is the key to victory in struggle. In light of our Army's experience of the struggle to stop turmoil and quell the counterrevolutionary rebellion last year, in order to properly solve this problem, we must, generally speaking, always bear in mind our Army's goal, adopt an overall point of view, and uphold the principle of ruthlessness toward the enemy and tolerance toward comrades. To put it more precisely, we must pay attention to the following points. First, we must give full play to the Army's role as a propaganda team, exposing the hostile elements' conspiracy, awakening those who do not know about the truth, and isolating a handful of the enemy. Second, we must correctly evaluate the situation, take resolute and bold action, and properly, accurately, and mercilessly crack

down on a handful of bad people. Third, we must act according to the law, uphold the existing policies, unite with the masses, and split off people from the enemy camp. Fourth, we must follow the principle of fighting on just grounds, to our advantage, and with restraint; in other words, we must act on just grounds, make best use of all favorable conditions, opportunities, and occasions, and apply restraint, so as to more effectively crack down on bad people and win over the masses' support. The martial law enforcement units have just done so in the struggle to stop turmoil and quell counterrevolutionary rebellion. They have displayed a high degree of political integrity, taken the overall interests into account, correctly handled the two kinds of contradictions of different natures, and thus always kept the initiative in their hands, ensuring the victory of the struggle. This is a successful case, and the experience we have gained from it can be taken for reference in our future struggle.

Yang Baibing Visits Lei Feng Exhibition

*OW2304235190 Beijing XINHUA in English
1424 GMT 23 Apr 90*

[Text] Beijing, April 23 (XINHUA)—Yang Baibing, secretary-general of the Central Military Commission, this afternoon visited an exhibition here on learning from Lei Feng staged by the Chinese People's Liberation Army (PLA).

At the opening ceremony, Yang, also director of the General Political Department of the PLA, urged officers and men to make sustained efforts to learn from Lei Feng and blaze new trails in this respect.

Economic & Agricultural

Statistics Point to Further Economic Decline

*HK2504021990 Hong Kong HONGKONG STANDARD
in English 25 Apr 90 p 7*

[By Lo Dic]

[Text] Statistics just released show that economic slow-down in China is still far from over despite some seemingly encouraging figures.

The figures also reveal that Beijing's about-face on its austerity drive has been ineffective in ending economic stagnation.

The figures were released by the State Statistical Bureau on Monday [23 April].

According to the bureau, China's industrial output in the first quarter of this year registered a zero growth rate against the corresponding period last year.

But last month the economy grew by 1.4 per cent, hitting the target set by Premier Li Peng at a State Council meeting last month.

A Statistics Bureau spokesman forecast that industrial growth will improve considerably in the second half of this year.

Mr Li had also predicted industrial growth would rise substantially by June.

A closer examination of the statistics, however, casts doubts on such optimism.

For one thing, the improvement in the March figures is a direct result of the rapid expansion of bank credit since December last year.

The total volume of bank loans in the first quarter amounted to \$31.7 billion, compared with \$15 billion in the same 1988 period.

Such credit relaxation can only mean that the slight March rebound risks further inflation over the coming months, given the fact that the targets of the austerity drive have yet to be realised.

Hence it is highly doubtful that the Beijing government can utilise for long the freer credit method to sustain industrial growth.

Even more important is the fact that China "did not obtain the anticipated results" (from the credit expansion) for "some of the money went into new production which once again built up inventories", according to the bureau spokesman.

Indeed, despite the injection of the huge volume of liquidity into the economy, the country's total value of retail sales in the first quarter of this year still fell a net 3.1 per cent.

Taking inflation into account, retail sales in real terms actually fell by about 7 per cent.

The credit expansion appears to have had little effect on ending the sale slump which, as the State Statistics Bureau had already pointed out, is the main stumbling block for industrial growth.

The government's tactic of sustaining industrial growth is to inject more and more money into the economy.

In turn, that means shifting the burden to government finance, or risking further inflation if the money comes from the banks.

The statistics show that Beijing's policy shift, instituted late last year to ease the severe shortage of funds among enterprises, has been ineffective in ending stagnation.

Economist Analyzes Economic Fluctuations

*HK2204092490 Hong Kong WEN WEI PO in Chinese
12 Apr 90 p 15*

[Report: "Noted Economist Ma Hong Analyzes Three Features in China's Economic Fluctuations"]

[Text] Noted Chinese economist Ma Hong recently analyzed the features of China's economic fluctuations since the PRC's founding.

First, the fluctuations in China's economic growth occurred about once every five years. To date, there have been seven fluctuations. The first one took place from 1953 to 1957, the second from 1958 to 1962, a period of five years, the third from 1963 to 1968, a period of six years, the fourth from 1969 to 1972, a period of four years, the fifth from 1973 to 1976, a period of four years, the sixth from 1977 to 1981, a period of five years, and the seventh from 1982 to 1986, a period of five years. A new fluctuating cycle has started since 1986.

Second, the intensity of China's economic fluctuations is higher than that of other countries. The fluctuation coefficient (the gap between the annual growth and average growth within a certain period) is 2.8 times higher than that in Japan, four times higher than the Soviet Union, 4.7 times higher than the United States, 3.4 times higher than West Germany, 5.1 times higher than France, and 5.1 times higher than Britain.

Third, the extent of fluctuations (the gap between the highest and lowest points within a cycle) is gradually slowing down. Viewed from the current national economic production, the fluctuation intensity of the five major departments can be arranged in the following sequence from high to low: Building trade that is related to the development and suspension of China's capital construction projects; industry; transport and communications; commerce; and agriculture.

The fluctuations proceed in the following way: Above all, the fluctuations in social general demand are manifested in investment fluctuations. The fluctuations in investment and demand directly induce the fluctuations in building trade and machine industry; then the building of factories and additional equipment required for reproduction give rise to fluctuations in heavy industry and industry as a whole and eventually lead to fluctuations in national income. The fluctuations in national income give rise to changes in general demand which starts the cycle of another fluctuation.

Approach, Need for Economic Growth Shift Cited

HK1804010190 Beijing RENMIN RIBAO in Chinese
6 Apr 90 p 6

[Article by Wang Jiye (3769 4480 2814): "Questions Concerning Shift of Economic Growth From Speed Type to Efficiency One"]

[Text] China's economic growth is in the process of a shift from stressing speed to efficiency. To achieve this shift smoothly, it is necessary to make clear the law governing the shift process, do a good job in many fields, make strenuous efforts, and solve numerous complicated contradictions. In this article, I would like to air some views.

The Process of Shift in Economic Growth From a Speed Type to an Efficiency One

In socialist economic construction, we should pay attention to economic efficiency. The inherent requirement of socialist economic development calls for our conscious efforts to develop the national economy in a planned and proportionate way; an effective use of funds; proper arrangement of the labor force; rational use of natural resources; correct planning for production distribution; proper arrangement of the relationship between economic growth rate and major economic proportions; and frequent, persistent attention to economic efficiency. The more the economy develops, the more we should stress economic efficiency. In the early 1960's and the late 1970's, we readjusted the national economy twice on a large scale and achieved some results. What merits attention is that, although we stressed enhancement of economic efficiency during the two economic readjustments, we did not place economic efficiency in an important position when the readjustments were over. As a result, we again quickly made the mistakes of one-sidedly seeking a high speed. We are now in the period of readjusting the national economy for the third time. The current economic readjustment again puts forward the question of economic efficiency. To avoid the tendency of attaching importance to economic efficiency in the readjustment period and neglecting it afterward, it is quite necessary to handle correctly the relationship between speed and efficiency from the plane of shifting the pattern of economic growth, so that our country's economic growth can make a smooth shift to the track of stressing efficiency. There is a question worth exploring here. As stated in the report to the 12th CPC National Congress, because the issue of improving economic efficiency has been explicitly put forward as an important component part for achieving the strategic objective of economic development, why is it that no substantive headway has been made in our efforts to enhance the economic efficiency in the past seven or eight years? Indeed, there are various subjective reasons for it, such as being overanxious to change the backward outlook, seeking and competing for high speed, and failing to put forward in good time effective economic management measures and fully scientific and coordinated assessment indexes. However, when the economic growth has dropped to a normal level, the situation of poor economic efficiency, instead of being reversed, has tended to deteriorate. This shows that there are reasons at a deeper level. What are they? As I see it, in addition to problems in economic structure, another important reason is that, in shifting from a speed type to an efficiency one, the economic growth is subject to a series of objective factors. Chief among them are the following:

Degree of the exploitation of resources. When economic growth is at a stage in which resources are exploited on a large scale, it is necessary to invest large amounts of human, material, and financial resources and, objectively speaking, to support economic growth with heavy investments. In such a case, enhancement of economic efficiency still cannot occupy an important place. After

several decades of hard work, we have scored tremendous successes in large-scale exploitation of resources. However, for a considerably long time to come, with the progress in economic construction, it is still necessary to continuously open up new resources on a considerable scale. The shift in our economic growth from a speed type to an efficiency one is restrained by it. Naturally, it should also be noted that, viewed over a long period, the previous inputs will develop into more output and turn into an active factor, making up for the economic efficiency in this period and becoming a motivating force for the shift from a speed type to an efficiency one. An important condition here is to tap potentials, vigorously promote economic progress, and carry out well technological transformation so that previous inputs can bring in more economic returns. Since the Sixth Five-Year Plan, our country has invested the largest amounts of money in capital construction and technological transformation. Because of various problems, such as extended construction cycle and insufficient comprehensive supporting measures, some of the huge investments have not developed into production capacity. Herein lies the enormous potentials for enhancing economic efficiency. Aside from this, it must also be noted that, when economic growth is in the stage of exploiting resources, it is necessary to lay strong emphasis on the principle of attaching equal importance to exploitation and conservation. If we can energetically conserve resources and reduce consumption, we can partially offset the unfavorable effect on improved economic efficiency by the exploitation of resources and promote the shift of the economic growth as a whole from a speed type to an efficiency one. The potentials here are also very enormous. The problem lies in how to proceed from reality, systematically adopt comprehensive measures, and use relatively less input to gradually bring into play the aforesaid enormous potentials.

Degree of technology and equipment. Since the Third Plenary Session of the 11th CPC Central Committee, guided by the general principle of reform and opening up, China has imported a batch of advanced technology and equipment and made gratifying headway in technological transformation. Taken as a whole, however, our level of technology and equipment is still fairly backward. Most of the traditional industries, which have a considerable scale, are still using the backward technology and equipment of the fifties and sixties. Therein lies the problems of excessively high consumption and poor product quality in the national economy. On the other hand, a considerable portion of the imported technology and equipment has not been assimilated. This, plus our failure to supply enough import substitutes, makes it necessary for us to continue relying on imports for some raw materials and components, thus adding new difficulties to the balance of foreign exchange receipt and expenditure. Therefore, increasing our ability to assimilate imported technology and equipment and converge them with the existing traditional industries in the country through the development of import substitutes so as to raise the level of our industry

as a whole is still a strenuous task. And it will take an even longer time to use imported advanced technology and equipment to transform our traditional technology and equipment and raise them to a modern level. Hence, it is easy to understand that our present conditions in technology and equipment will certainly become an important factor restricting the shift of economic growth from a speed type to an efficiency one.

Degree of employment. In economic growth, there is certainly no problem if increased labor input can raise labor productivity. Judging from the macroeconomic angle, however, if increased labor input fails to raise labor productivity, the economic efficiency is not genuinely improved. Under these circumstances, the more labor force is used, the greater the difficulty to shift the economic growth from a speed type to an efficiency one. The current conditions in our country are: On the one hand, we should slow improvement in labor productivity; on the other hand, we should constantly provide jobs to a large number of laborers. Thus, the contradiction between efficiency and employment is not only conspicuous but will exist for a fairly long time to come. This cannot but become another factor restricting the shift of economic growth from a speed type to an efficiency one.

The quality of labor force. In a modernization drive, we should rely on a good-quality labor force to effectively utilize the resources and bring into play the capacity of technology and equipment. Given the same technology, equipment, and the supply of resources, different quality in the labor force will yield quite a different economic efficiency. This has been vividly proven when compared with other countries or in the same trade. It takes quite a long time to raise the quality of labor force in an all-round way. This cannot but restrict the progress in shifting economic growth from a speed type to an efficiency one.

Based on the aforesaid analyses, we can see that the shift of China's economic growth from a speed type to an efficiency one is likely to undergo the following process: In the first stage, the national economy shifts from super-high to appropriate growth. The growth of ordinary processing industries in excessive supply will slow down, while the supply capacity of basic industries in short supply will constantly improve. At this time, we can attain initial structural benefits, but it will still be difficult to substantially change the condition of poor macroeconomic results; in microeconomic results, raising labor productivity and the capital profit rate is still a major aspect in enhancing economic efficiency. Although conservation of materialized labor, i.e., energy and material consumption, is high on the agenda and achieves certain results, we still cannot make impressive headway in technological transformation and technological progress because a series of conditions are needed. The economic growth as a whole is still in the stage of emphasizing extension and appropriate growth. In the second stage, the economy maintains a steady, appropriate growth, the production structure has become more

rational, and the structural benefit has markedly improved. Meanwhile, we shift our attention from improvement of labor productivity to conservation of materialized labor in attaining economic efficiency. At this time, material consumption drops, product quality improves in an all-round way, and technological transformation and technological progress make marked headway. However, it is still difficult for economic efficiency to occupy a principal position or takes the lion's share in the economic growth as a whole. In the third stage, the economy continues its appropriate growth, there is more or less a balance between aggregate supply and demand, and the structure is even more rational. The efficiency of materialized labor characterized by the conservative and effective use of energy and raw materials has become the main aspect of economic efficiency. The economic growth has shifted to reliance on technological progress, and economic efficiency occupies a dominant position and takes the lion's share in economic growth. In short, it is not easy to shift economic growth from a speed type to an efficiency one. It has its inherent law. Only by understanding this law can we avoid being overanxious for success and consciously and systematically carry out all work in the course of the shift, remove all obstacles, and gradually and smoothly effect the shift.

Mechanisms for Shifting Economic Growth From a Speed Type to an Efficiency One

In the economic life of our country, there are all kinds of contradictions at the superficial level and the deeper level that have accumulated over a long period of time. At present, the deeper-level contradictions have gradually been brought to light. In the course of solving old contradictions, some new contradictions and problems have cropped up. In solving these contradictions, we should adopt various measures. Viewed from the macrolevel, however, we should chiefly effect transformation in the patterns of economic growth, economic structure, and production structure. In their transformation, economic growth and production structure affect and condition each other; the transformation of economic structural pattern is essentially one of operational mechanism and an inherent demand of transforming economic growth and production structure. If we depart from this, even if we have a good economic growth pattern, such as one mainly based on efficiency type, we can hardly operate it because of the lack of a perfect and coordinated mechanism, and the economic growth will still remain at the stage of stressing speed.

The efficiency-type economic growth calls for rational and optimum distribution of resources and all-round improvement in the efficiency of resources distribution. Generally speaking, the distribution of resources can be divided into long-term and short-term ones. The former is concerned with the overall situation and the future of economic development while the latter is concerned with current production, circulation, and consumption. To rationalize the distribution of resources and enable it to yield proper returns, it is necessary to adopt different

methods in different fields and different levels of the distribution of resources and selectively and appropriately integrate the two operational mechanisms, i.e., planning regulation and market regulation. Generally speaking, the state should primarily rely on planning regulation in the long-term distribution of resources. Naturally, in the course of practicing planning regulation, we should also pay attention to applying economic means, act according to the law of value, and properly absorb the role of market regulation in planning regulation. In short-term distribution of resources, with regard to basic means of production and daily necessities involving the national economy and the people's livelihood, it is also necessary to rely mainly on planning to regulate those things which are in short supply and for which there is a large gap, as for other products, because of quick changes in demand and great variety, it is necessary to rely more on the role of market regulation. Doing a good job in the long-term and short-term distribution of resources so that they can complement each other is a most important aspect in shifting the economic growth from a speed type to an efficiency one and in enhancing the macroeconomic efficiency. To this end, we should institute a macroregulation and control system that is suited to the shift and conforms to the principle of integrating the planned economy with market regulation. We should make conscientious efforts to place the enhancement of efficiency in the distribution of resources in a central position, correctly handle the relationship between growth rate and economic efficiency, and genuinely seek speed and development through efficiency. In the macroregulation and control system, which takes rational distribution of resources as the key content and enhancement of economic efficiency as the central demand, it is also necessary to satisfactorily deal with the relationships of various regulatory means. The question of coordinating administrative, economic, and legal means and the question of organically integrating planning and market arise here; in planning arrangement and implementation, there is also the question of coordinating moves from the planning, financial, banking, and other comprehensive economic management departments. But it is necessary to concentrate on the efficiency of resources distribution and jointly coordinate regulation direction and strength. It is even more necessary to avoid the phenomenon of adverse-regulation. Otherwise, it will bring great losses to macroeconomic efficiency.

In establishing a macroregulation and control system, which takes improved efficiency of resources distribution as the main content, there must be corresponding supervision and control indexes or an index system reflecting the relationship between input and output. Quite a considerable part of the existing indexes or index system for assessing economic efficiency in our country directly reflects the conditions of input and output, but a small part either indirectly reflects economic efficiency, or reflects only output to the neglect of input, or reflects the comparison between output and output rather than the comparison between input and output. This shows

that the existing indexes or index system on economic efficiency are still tinted with the color of the speed-type economic growth and, therefore, should be improved and perfected in line with the features and requirements of the efficiency-type economic growth. This makes it necessary to stress the comparison between input and output and attach importance to the "effect of production expenses on effect." In the final analysis, the form taken by production expenses (excluding natural resources), whether currency or material objects, is the input of labor, animated labor, materialized labor, or the labor thrown in to meet the need of current production or long-term needs. It seems that the macroregulation and control system should be gradually improved along this basic line. It is particularly necessary to attach importance to economic efficiency of long-term input. The socialist macroregulation and control system, as well as its indexes, must and should be able to track, measure, and assess the economic efficiency of long-term input.

Rational distribution of resources is not restricted to a trade, enterprise, or product. Its principal aspect lies in the rational use of the resources of the whole society. The former refers to microeconomic efficiency; the latter, which refers to macroeconomic efficiency, particularly the structural effect, should become an important objective of macroregulation and control. To attain better microeconomic efficiency, it is necessary to establish the self-restrictive and self-development mechanisms of enterprises. In terms of funds, our emphasis should be now laid on the establishment of a set of perfect mechanisms, which enables enterprises to increase the funds at their disposal, especially the circulating funds, and to rectify the tendency of enterprises using retained profits to increase consumption or increase investment in capital construction. In terms of material consumption, it is necessary to take reduced consumption of energy and raw materials as the main objective, use less energy and raw materials to turn out more and better products, and launch technological transformation around material consumption in order to raise the existing techniques and equipment to a new level. As far as the enterprise technological progress is concerned, it must be reflected in improved product quality, the development of new products to better meet market needs, and increased competitiveness on the domestic and international markets. Our success in defining the afore-mentioned requirements can help change the situation not only in enterprise assessments characterized by tangible speed indexes, aggregate indexes, and output and profit indexes, but also in intangible efficiency indexes, structural indexes, and technological progress indexes.

In short, we should establish a macroregulation and control system and a microassessment system centering on the improvement of economic results and, with the help of operational mechanisms and regulation and control measures, promote the shift of the Chinese economy from an economic growth pattern based on the speed type to one based on the efficiency type.

Article Extols Enterprise Self-Regulation

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[Article by Meng Guoqiang (1322 0948 1730), Kang Yueqiang (1660 2588 1730), and Song Jianjun (1345 1696 6511): "Strengthen Self-Restraint Mechanisms of Enterprises in the Course of Economic Improvement and Rectification"]

[Text] Enterprises are cells of the national economy. During the 10 years following the Third Plenary Session of the 11th CPC Central Committee, China's enterprises developed rapidly. According to information provided by the departments concerned, China now has 8.1 million major, medium-sized, and small enterprises across the country, employing 96.61 million workers.

Too many enterprises and workers and the expenditure involved remind us that in the course of economic improvement and rectification, the people of the whole country must, responding to the call made by the Fifth Plenary Session of the 13th CPC Central Committee, be determined to lead a thrifty life for several years to solve problems such as an excessive proportion of the national economy going to consumption, the outstripping of total social supply by total demand, and so on, to bring about a sustained, stable, and coordinated development of the national economy. The enterprises' status and behavior play a decisive role in developing the national economy. To fulfill the task of improving the economic environment and rectifying the economic order, the enterprises should raise their technological and managerial levels, increase economic returns, create as much social wealth as possible, and meet the people's demands. On the other hand, they must set up effective self-regulating mechanisms in line with the party's guidelines and policies and their own actual conditions while having full authority for management and full responsibility for their profits and losses, and developing on their own.

Enterprises Face a New Situation

A self-regulating mechanism for an enterprise is a mechanism to ensure the enterprise will correctly follow the party's lines and the state's laws and decrees, advance along the path of developing a socialist planned commodity economy, govern its behavior, and engage in orderly operation. The mechanism is designed to bring under control those enterprises that indiscriminately devote exclusive attention to a high growth rate and increase the proportion of consumption funds at the expense of the overall interests of the national economy and consumers, with the result that they are unable to continue with their operations in the end, causing fundamental damage to their own interests.

Excessive consumption and investment over the last few years and a lack of effective self-regulating mechanisms applicable to the enterprises are mainly to blame for the present problems such as the outstripping of total social

supply by total demand, an excessive proportion of the national income going to consumption, and so on.

During the last two years, the contracted management responsibility system was introduced in many enterprises. The system has aroused the enterprises' and workers' enthusiasm for developing production, increased the enterprises' economic returns, heightened their capability to develop and transform their production on their own, and ensured that profits and taxes are turned over to the state. The contracted management responsibility system as a principal managerial method for state-owned enterprises has proved remarkable. However, some enterprises failed to exercise effective control over their behavior, especially quite serious and unreasonable short-sighted behavior, which found expression in the following:

1. They indiscriminately strove for a high growth rate and immediate economic returns by exhausting their equipment.
2. They did not have long-term development plans and ignored technical innovation and development of new products. They even went so far as to misappropriate the funds earmarked for developing new products to arbitrarily expand production.
3. They did not take long-term interests into account when making investment and did not make scientific feasibility studies. They produced whatever products shoppers scrambled for, resulting in the unwarranted import of machinery and overlapping production. Take the production of refrigerators for example. China-made refrigerators were of rather high quality and the relevant production capacity was on a rather large scale. But quite a lot of enterprises, encouraged by the overheated economic growth, did not scruple to spend a lot of foreign exchange importing scores of production lines beginning in 1986 and produced refrigerators at full steam. In consequence, inventories mounted when there was a sharp change in the market.
4. The enterprises vied with one another to speed up development, and arbitrarily distributed bonuses, goods, and subsidies while setting aside very small amounts of funds for expanding production when they were allowed to keep a bigger share of profits. Some enterprises persisted in granting bonuses and subsidies even when they had sustained great losses, disregarding the state's relevant regulations.

Owing to ineffective self-control on the part of the enterprises, and the government's mistakes in providing guidance for the enterprises, the above malpractices greatly intensified consumer demand and created new problems for social economic operation. That is, macroeconomically, the malpractices led to excess growth of consumption funds and excessively mounting demand for investment and consumption; and microeconomically, they caused a funds shortage, making some enterprises unable to carry on normal production and operation. All this shows that we must further improve the

contracted management responsibility system for enterprises and urge enterprises to set up effective self-restraint mechanisms and improve their capability to control themselves.

Enterprises Should Establish Self-Restraint Mechanisms and Conscientiously Make Great Efforts To Help Effect Macroeconomic Control

How will the enterprises set up a self-control mechanism? To achieve this, the enterprises should, in general, make great efforts in the following aspects in line with the objectives of economic improvement and rectification and our experience in the enterprise reform over the last few years, while fully activating their own stimulation mechanisms.

1. Readjust and improve the management mechanism within the enterprise. During economic improvement and rectification and deepened reform, the government will, following the principle of integrating the planned economy with market regulation, stabilize, substantiate, readjust, and improve reform measures practiced over the last few years, and moderately intensify centralization to gradually build a macroeconomic regulation and control system which will promote steady economic development. The government will also deepen and improve the reform by making necessary readjustment of the contracted management responsibility system for enterprises, the financial contract system, the financial system, the contract system for foreign trade, the material control system, the system of managing the economic plan, and the pricing system. This move will undoubtedly play a significant role in building an effective self-restraint mechanism for enterprises. Enterprises, major and medium-sized enterprises, and enterprise groups in particular, should submit to the government's macroeconomic regulation and control in the interests of readjusting and improving their internal management mechanisms. We will readjust and modify imperfect contract programs and excessively low contracted base figures and incremental proportions. Enterprises should resolutely submit themselves to the state's unified and centralized control over finance and foreign trade and produce products for unified distribution under the state plan and a fixed amount of state-guided products for sale at fixed locations through their own channels. At the same time, they should strictly follow the government's policy on the reform of the pricing system, respect the approval authority for projects, and defend the seriousness of mandatory plans. Given the current soft market and increased amount of unmarketable products, enterprises should seize the opportunity to conscientiously readjust their organizational structure and product mix and improve the management mechanism and quality of their products so as to lay a solid foundation for increasing their profits.

2. Set up a system under which the factory director assumes full responsibility for attaining certain goals during his contracted tenure. At present, in enterprises under contract, shortcomings such as low contracted

base figures, short contracted tenure, unitary contracted targets, and a lack of developmental objectives are found. As a result, the enterprises are concentrating on short-term contracted objectives to the neglect of long-term development. Therefore, it is necessary to set up a contracted target system synchronized with the contracted tenure, defining the objectives that should be achieved within the relevant time limit, including technical innovation, technological improvement, growth in fixed assets, mid- and long-term development plans, and the measures to achieve the above objectives to encourage and restrain the enterprises' long-term behavior. Take the Heilongjiang Jiamusi Paper Mill for example. The mill is the biggest of its kind in the country. It has set up a complete set of self-restraint mechanisms to promote the development of the mill. It first set up a system in which the mill director assumes full responsibility for achieving certain goals during the contracted tenure, defining the goals the director must achieve during his term of office and the relevant measures. It has also worked out mid- and long-term development plans for the mill in light of the mill's capability, technological advances at home and abroad, and the market situation. In this way it is able to carry out the mill's development plans step by step in a planned way, constantly increase the mill's strength for future development, and avoid short-sighted behavior while working hard to improve production and operation.

3. Set up and improve an interest mechanism by which total wages are linked to economic returns. While introducing the system in which the enterprise's total wages are linked to economic returns, we should improve the way the two are linked. First, we should check the enterprises introducing the above system against their main targets, such as the amount of realized profits and taxes delivered to the state, and their economic targets, such as quality of products, productivity, and safety in production. Second, the growth rate in the total wages must be smaller than that in productivity. It is necessary to completely ignore the profits brought about by price hikes so that we can stabilize prices and hold in check excessive growth in consumption funds. Third, the enterprise must further carry out the principle of "to each according to his work," and do a good job of wage allocation among workers. Those enterprises which have made a handsome profit should establish a profit-wage reserve fund [xiao yi gong zi chu bei ji jin 2400 4135 1562 6327 0328 0271 1015 6855]. We should also oppose shortsighted behavior with respect to distribution, and link the workers' payment with the fruits of their labor to improve the enterprise's stimulation mechanism and put the self-restraint mechanism into effect.

4. Form a democratic restraint mechanism by which the enterprise will be run in a democratic way and accept supervision by the masses. Under socialist conditions, the authority of enterprise leaders is compatible with the status of workers as masters of the enterprise. Therefore, we must conscientiously enforce the "Enterprise Law" and carry out all principles and policies laid down by the

party Central Committee and the State Council. While attaching primary importance to the central role of the director (manager) in production and operation, we should strengthen party building and ideological and political work, and bring into full play the role of the enterprise party committee as the ideological and political leadership so that the committee will exercise effective supervision over the enterprise's behavior. We should also cultivate workers' consciousness of democratic management, give free rein to the trade union and the workers' representative assembly as supervisors of the enterprise, and see to it that democracy and a scientific approach is applied in making policy decisions.

5. Regard the double increase and double economy drive as an important means to activate the self-restraint mechanism for enterprises. Increasing production and practicing economy and increasing revenue and reducing expenditure are important means for the enterprise to exercise self-restraint. The double increase and double economy drive is not an expedient measure for the enterprise to tide over temporary difficulties, but rather embodies the principle of building up the country through thrift and hard work. The spirit of the drive should find expression in the enterprise's management and operation. In everything they do, the enterprises should count every cent and make every cent count, practice strict economy, eliminate extravagance and waste without fail, stop up all loopholes, and raise efficiency. The enterprises should conscientiously try their best to achieve the goals of increasing production and practicing economy, make vigorous efforts to reduce consumption of energy and raw and semifinished materials, tighten control over circulating funds, and reduce the practice of possessing circulating funds. It is necessary to resolutely reduce nonproductive spending; resolutely check arbitrary demands for money and donations and arbitrary charges in aid of unproductive activities; and strictly prohibit entertaining guests and presenting gifts at public expense. At the same time, the enterprises should audit and supervise all kinds of economic activities. In this way, that is, by unrelentingly carrying out the double increase and double economy drive, we can certainly set up an effective self-restraint mechanism in the enterprises to the greatest extent, and attain the goals for economic improvement and rectification laid down by the government.

Article Urges Increased Investment Demand

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[Article by Tang Mingfeng (0781 2494 1496) and Wang Feixin (3769 7378 2946): "Appropriately Increase Investment Demand and Economic Improvement and Rectification at Present"]

[Text] Effective Demand Is Smaller Than Effective Supply

At present, some people hold that there is no fundamental change in the situation in which the total demand exceeds total supply after one year of economic improvement and rectification, for the following reasons:

1. We must take into account the total supply and demand accumulated over many years past in analyzing the overall situation of supply and demand. At present, the unrealized social purchasing power amounts to 700 billion yuan, about twice the value of commodity stocks.
2. A considerable part of new increments in the national income was not distributed.
3. At present, products whose supply exceeds demand include mainly a number of domestic electrical appliances which are too expensive, cigarettes, wine, high-grade beverages, and several kinds of machinery and electrical appliances and consumer goods which do not meet the requirements.

We believe that the above arguments are not tenable.

First, of the actual increment in merchandise inventory in 1989, at least 60 billion yuan of goods were irrational. From the prospective of total amount, this in fact shows insufficient effective demand.

Second, at the end of 1989, the social surplus purchasing power allowing for savings deposits—that is, the actual purchasing power—totaled 340 billion yuan, lower than the year-end total stock on hand. In the meantime, we should not mention the social surplus purchasing power and the total stock on hand in the same breath, because the total amount of savings deposits continually grew.

Third, the proportion of the annual increment in the national income which was not distributed (such as the natural growth of forest and animals) was insignificant, about several billion yuan. Again, we should not come to a conclusion from the preceding that there was no increase in the supply. In the course of their natural growth, the output did increase. For instance, we more often than not calculate the annual timber output in terms of the growth of the forest. Even though the new increment was not distributed as a new supply, it did not form a new demand, augmenting the buying power.

Therefore, only when the effective demand is further expanded can we strike a balance between total supply and demand, and have the national economy be developed in a normal way.

The Main Cause of Soft Market Is Insufficient Demand for Investment

The above people also believe that soft market was mainly due to "structural overstocking and slow selling of some commodities." But why did some enterprises fail to "find out the pulse of the market" in the course of the structural readjustment? The fact is, according to statistics compiled by the Ministry of Commerce, the production of 21 main light industrial products including refrigerators, washing machines, electric fans,

bicycles, washing powder, soap, matches, pencils, and vacuum flasks decreased by a big margin or registered a negative growth. The decreased growth in the textile and electromechanical industries made the sluggishness spread to the market for basic manufactured goods. If governments in all localities had not committed enterprises to increasing their output value and stepped up production in November and December 1989, the market for the means of production would have become sluggish at a much earlier date, thus affecting the production of the basic industry.

A large number of domestic electrical appliances including high-grade imported or China-made video cassette recorders and color television sets, which had been in short supply (very few families possessed video cassette recorders), were also among the manufactured consumer goods which sold poorly. As predicted by departments concerned, the demand for color television sets is on the increase. China boasts 200 million families comprising 1.1 billion people, so the annual demand for 10 million television sets will last 10 years. The main reason for overstocking and slow selling of television sets is insufficient demand. Elasticity of demand varies from product to product. Under different demands, the structure of demand will undergo a change. When prices refuse to go down, poor sales of those high-grade manufactured goods which have greater elasticity of demand does indicate insufficient demand.

At present, the insufficient demand has first led to insufficient investment demand and then to a sharp decrease in consumer demand. In 1989, the society-wide fixed assets investment dropped by 50 billion yuan from the previous year, and the actual work done decreased by 20 percent allowing for price increases. A sharp decrease in investment had two immediate after-effects.

First, the production of those industries which are closely connected with fixed assets investment, the building material industry and machine-building industry in particular, dropped across the board, and stocks piled up. The production of automobiles, tractors, locomotives, and metal cutting tools decreased by 8.3 to 19.5 percent from the previous year; while that of cement and timber fell by 1.4 and 1.9 percent respectively. The production of steel increased by 3.7 percent compared with the previous year, but sales decreased by 15.1 percent. Even the thin steel plates which had been hot on the market were unmarketable.

Second, as 41,000 new projects were cut in 1989, and 18,000 investment projects stopped or suspended, a large number of peasant laborers went back to the countryside. This greatly reduced the market demand and accelerated the slump of the processing industry and light and textile industries, boosting the unemployment rate to four percent. It was estimated that many young people waiting for job assignments added up to 4 million, and quite a number of enterprises whose production was suspended had to borrow money to provide living expenses for workers. The diminished growth of the

income of urban workers and staffers resulted in a further decrease in consumer demand and in a decrease in industry production for consumption. According to statistics released by the State Statistics Bureau output increased for salt, 23 percent; composite detergent, 8.4 percent; sugar, 7.6 percent; and cigarettes, 3.2 percent. On the other hand, decreases occurred in outputs of color television receivers, 9.6 percent; aluminum products for daily use, 11.3 percent; recorders, 11.9 percent; bicycles, 11.9 percent; domestic refrigerators, 12.6 percent; domestic washing machines, 21.1 percent; and cameras, 26.3 percent respectively.

In the end, the slump in industrial production led to a further decrease in consumer demand, beginning a vicious cycle of decreased production and a sluggish market.

While the above problems cropped up, we too failed to introduce a bold policy to encourage value-guaranteed savings deposits to turn residents' savings deposits, which grew extraordinarily, into positive factors promoting healthy development of the economy. In fact, several buying sprees in 1988 had greatly reduced the social purchasing power and the public panic gradually calmed down. The policy on value-ensured savings deposits introduced later further curbed the social purchasing power, markedly reducing the pressure on the market. Given the circumstances, if we had acted on normal economic laws, we would have moderately increased investment in production and increased supply of essential products. Because, on the one hand, a considerable part of the investment would have been converted into consumption; on the other, this would have enabled enterprises to have enough circulating funds for developing production and workers would have gained more income accordingly. Consequently, the extra supply brought about by investing residents' savings deposits in production and the additional demand into which the above investment would have been converted would have formed a new balance, thus promoting healthy development of production.

The sudden increase in operating funds in the form of credits at the end of 1989 is the result of a failure to moderately increase demand for investment in fixed assets. As a consequence, enterprises could only produce more unmarketable products. Production remained inert despite efforts and the economy refused to pick up.

We Can Give Impetus to Economic Structural Readjustment Only by Increasing Investment Demand

Given China's actual conditions, economic structural readjustment would be a long-term and arduous task, which can be fulfilled gradually on condition that we make achievements in developing economy and structural reform.

First, ours is a socialist country based on public ownership. We cannot establish or improve the social insurance system in a short period.

We can ill afford to leave too many bankrupt enterprises and unemployed workers unattended to. Again, we have had far fewer employment opportunities than required. Therefore, we can only readjust the structure by pursuing suitable investment policies and giving play to the economic lever instead of taking administrative measures to shut down some enterprises, or suspend their operation, or amalgamate them with other enterprises, or switching them to the manufacture of other products. The measures which may prove effective are increasing investment in key projects and changing the ratios between investments in different industries and sectors, thus gradually readjusting the structure.

Second, we cannot readjust the structure by allocating the asset storage but rather by controlling the orientation of increased investment in terms of assets. As the asset storage is now owned and controlled by localities or departments, and any change in assets would infringe upon their interests under the current system of fixed quotas for revenues and expenditures and the contract system for enterprises, they will do their utmost to protect their enterprises. During the contracted tenure, the enterprises, too, will be reluctant to have a great change in the status quo of assets, and the government, subject to the contract, is not allowed to allocate the enterprises' assets during the contracted period. As the asset storage cannot be reallocated, it will be very difficult to readjust the industrial structure and the enterprises' organizational structure.

By effectively controlling the orientation of increased investment in terms of assets, however, we will not only readjust the industrial structure, but will also help enterprises readjust their product mix. The present slowdown of overdeveloped industries is the result of their production capability being suppressed by the retrenchment policy, while the production capability of many enterprises which have low economic returns and consume excessive energy remain unchanged though their operation was suspended or stopped. Under the present system of fixed quotas for revenues and expenditures, the system under which investment is controlled, and the interest mechanism, increasing demand will likely cause the light and textile industries and processing industry, which are closely linked to the interests of localities and departments, to grow excessively again. As a result, undersupplied goods will be in greater demand, and oversupplied commodities will further pile up. Therefore, only by exercising tight control over increased investment, and greatly increasing investment in enterprises in underdeveloped industries to accelerate their development, can we basically improve the structure and increase supply of essential products and avoid stagflation, which might be brought about by an increase in circulating funds.

Third, the readjustment of product mix also calls for a congenial environment. The present widespread soft market brought about by insufficient demand will not urge enterprises to readjust their product mix. In the meantime, different price deregulations, the negative

effect of the double-track pricing system, and the measure to cover deficits of state subsidies conspired to counteract the effect of the law of value, distort the commodity price relations, which had been irrational, and seriously jeopardize the price signal so that enterprises had no firm faith that their endeavor to readjust the product mix would prove successful. For enterprises, only when they have more assets and more circulating funds can they carry out investigations and studies of market demand, develop new techniques and products, and readjust the product mix.

Therefore, increasing demand for investment to help the economy pick up is an important condition for promoting and accelerating the structural readjustment.

It Is Necessary To Increase Demand for Investment in a Planned Way

To help the economy pick up while avoiding serious economic stagflation and overanxiety for quick results in the course of economic improvement and rectification, we believe that it is necessary to take the following measures:

1. Moderately increase overall demand in 1990 given the present extremely insufficient effective demand, insufficient investment demand in particular, which is found after a year of economic improvement and rectification. We should increase investment in fixed assets in a planned way, the overall investment and actual workload should be greater than in 1986. At present, we pay greater attention to increasing operating funds. These increased funds, however, can only temporarily slow down the speed at which the production is declining, rather than help the economy to return to normal, let alone promote economic structural readjustment. At the same time, we should improve and speed up the inspection and approval of investment projects, and tighten the control of capital construction. We should also strengthen the role of taxation as a lever by widening the gap between tax rates of investment tax and resources tax on a wide range of construction projects.

Naturally, it is necessary to point out that we should not increase investment excessively the way we did in the past so that the economy will not rebound too quickly, getting out of control again. Most of the increased funds should be invested in the state's key projects. Again, it must be pointed out that we should increase investment in fixed assets according to stable growth in residents' savings deposits, letting our purse be our master. Therefore we must continue pursuing the policy that encourages saving.

2. To ensure continued growth of underdeveloped industries and to restrain investment so that there will be no more excessive demands for investment, we should, boldly taking advantage of the opportunity for the present soft market to spread to the market for basic manufactured goods, step up our efforts to readjust the prices of basic manufactured goods such as the means of

production and charges for basic services such as railroad freight service, further sorting out price relations.

In short, in more than a year of economic improvement and rectification, we have mainly carried out a series of deflation policies to greatly slow down industrial production and slash total demand. We have made achievements in this regard, but the policies have also brought about excessively diminished production, sustained soft market, suddenly increased unemployment rate, increased instability in society, and increased financial burden, crippling the reform. We had to resort to drastic measures to deal with runaway inflation in 1988. In so doing, we were likely to go too far, which is pardonable. At present, when supply has outstripped demand and the economy is likely to get bogged down in stagflation, we should lose no time in readjusting the rectification measures. Therefore, the government should appropriately increase demand, and readjust the price relations of key products and the systems which do not conform to the standard while strengthening macroeconomic control to enable the national economy to begin a sound cycle as soon as possible.

Commodity Quality Increases in First Quarter 1990

OW2404201190 Beijing XINHUA in English
1155 GMT 24 apr 90

[Text] Beijing, April 24 (XINHUA)—The commodity quality report for the first quarter of this year shows that, among the 1,098 randomly sampled China-made products, 77 percent were up to standard.

The figure, released here today by the State Bureau of Technical Supervision (SBTS), is 3.3 percent higher than that of the last three months of the previous year.

Among the 728 sampled enterprises, 89.7 percent products made by major state-owned enterprises were up to standard; and the figure for the medium- and small-sized enterprises is 78.9 percent; while the rate for rural township enterprises is 40.9 percent.

The SBTS conducts such quality examinations and releases the results four times every year.

RENMIN RIBAO Views Industrial Policy

HK2404082390 Beijing RENMIN RIBAO in Chinese
10 Apr 90 p 6

[Article by Yu Jianting (0151 1696 0080): "Seize the Opportunity To Carry Out the Industrial Policy"]

[Text] Promulgated in March 1989, the "The State Council Decision on the Key Points of the Current Industrial Policy" is of great and far-reaching significance to the economic development in our country. After conducting some investigation in Zhejiang, Shanghai, and Liaoning, I have come to realize that implementing the industrial policy is not a piece of cake. Here, I would

like to put forward my opinions based on the information provided by relevant quarters and my experience in the investigation.

Implementing the Industrial Policy Is a Long-Term Commitment As Well As a Pressing Task

To ensure a sustained, steady, and coordinated economic development, various obstacles that come in our way must be removed. One of the major obstacles is that the industrial structure of our country is seriously defective. This is largely seen in the following respects:

1) The production capacity of basic industries falls far short of the demand of processing industries. Agriculture has still been marking time. In the coal industry, the construction scale of key mines under unified allocation is small, with an aggravated disproportion in mining. There is a minor growth in crude oil reserves. Despite a turn for the better in the power supply, the total is still insufficient. The production capacity of processing industries surpasses that of basic industries. 2) Production capacity is high in ordinary processing industries but low in high-standard processing industries. The bulk of high-standard manufactured goods has to be imported. 3) There is serious industrial convergence among provinces, regions, and cities. Regional advantages are not well brought into play. Repetitions of low-standard construction, blind import, and mutual blockade are present. 4) The organizational structure of enterprises is irrational. The extremely low level of production centralization and poor specialization and cooperation in some key industries make it impossible to meet the demand of modern, large-scale production.

Causes for these defects are varied. Some are left over from history; some concern the economic structure; and some have a bearing on the question of understanding and work. The period of improvement and rectification is the right time for us to readjust the industrial structure. We should seize this opportunity to carry out the industrial policy.

Achievements and Existing Problems in Implementing the Industrial Policy

Though it has only been a year since the State Council promulgated the "Key Points of the Current Industrial Policy," initial successes have been achieved and some effect produced. The structure of investment in fixed assets was readjusted to some extent in 1989, with 18,000 projects suspended or delayed; the number of newly started projects decreased by 22,000 compared with the previous year. Projects for ordinary processing industries that are out of tune with the industrial policy have been checked, while the proportion of investment in energy, communications, and raw material industries which conform to the industrial policy has been increased. Town and township enterprises all over the country have been readjusted according to the industrial policy, three million of which have closed down, suspended, merged, or changed the line of production.

The above facts show that the implementation of the industrial policy over the past year has made a good start. However, this is but a first step and challenging tasks will follow. Along with the above-mentioned achievements, there are also some problems.

First, some comrades do not attach enough importance to the implementation of the industrial policy and are therefore unable to organize it effectively. At a time when mandatory planning is emphasized, the key points of the industrial policy have been reflected in the state plan. Formulating an industrial policy is all the more important nowadays when the planned economy is integrated with market regulation. Because of the coexistence of several economic forms, extra-budgetary and social funds have increased dramatically, town and township enterprises have risen abruptly, many localities have carried out special policies, and the three kinds of enterprises that are partially or wholly foreign-owned have mushroomed. If a clear-cut industrial policy is not worked out and implemented, the defects in the industrial structure will continue to develop, to the detriment of economic progress as well as the correct absorption and use of foreign capital. Second, some localities and units are so keen on producing readily marketable goods they cannot concentrate their resources and the phenomenon of decentralized investment is still serious. For example, they vie with each other in producing automobiles, color TV tubes and glass bulbs, video recorders, polyester, refrigerators, compressors, and air conditioners. In one province, there were more than 90 refrigerator factories at a time, and over 10 still remain after rectification. Third, implementing the industrial policy requires a comprehensive use of relevant economic levers. Despite some specific regulations on this, coordination is still inadequate and the priority development of the weak links in basic industries has not been energetically pushed forward.

The institution of responsibility at each level in the financial system has a marked effect on the readjustment of the existing industrial structure and the setup of industries in the days to come. If the existing system is not brought under reform, localities will easily overlook the fact that the production capacity of a certain item in the country has exceeded what is needed and will continue to develop those processing factories which earn large profits, turn over high taxes, produce expensive goods, and are easily built. The practice of repeating low-standard construction, blind import, and barriers between different localities over the past few years have a close bearing on the financial system of assigning responsibility at each level.

Suggestions

1. Some comrades hold that the state industrial policy is chiefly directed at enterprises under ownership by the whole people. This is a misunderstanding and should be cleared up. The decision of the State Council makes it clear that "the whole country is a unified market. All localities must implement the state industrial policy and

should not undermine the overall and long-term interests of the state for the sake of partial and short-term interests." Therefore, it should be made clear that the industrial policy applies to the entire society and should be implemented in all economic sectors.

2. Various economic levers should be utilized in a comprehensive way so as to ensure the smooth implementation of the industrial policy. The key to the implementation of the industrial policy at present is whether or not the bank credit pattern can be effectively readjusted. For this purpose, we suggest an all-round screening of the bank credits by the state in accordance with the industrial policy so that the priority of loans may be given to the industries selectively supported by the state. Such methods as tax rate adjustment should be used to regulate in good time the production of certain high-profit products to avoid rushing headlong into mass action. Support through taxation policy should be rendered to products which have high added value, are efficient in energy or raw material, are produced by cooperation along specialized lines, and are selectively supported by other countries.

3. The importance of the industrial policy and its significance and role in economic development is far from being recognized by the cadres and masses. The implementation of the policy is still in want of the support and supervision on the part of the masses. Therefore, emphasis should be laid on reporting the implementation of the industrial policy, encouraging and praising those units which, with the leadership motivated, have conscientiously implemented the policy and achieved successes. Any practice in violation of the industrial policy should be criticized and exposed in time.

4. Implementing the industrial policy requires the attention from party committees and governments at all levels, and strengthened leadership and supervision. Apart from economic levers, administrative, legal, and disciplinary means should also be employed to perfect the supervision and control system for the implementation of the industrial policies. At the same time, an overall point of view should be reinforced. This is because for some localities and units, implementing the industrial policy will lead to changes in their original plans, probably at the expense of their temporary interests.

Official Standardization Regulations Set Forth

OW2104175490 Beijing XINHUA in English
1026 GMT 21 Apr 90

[Text] Beijing, April 21 (XINHUA)—The Chinese Government today promulgated a set of regulations on the implementation of standardization in a bid to bring the work into line with the state plan for the national economy and social development.

The regulations, approved by Premier Li Peng on April 6, consist of six chapters, including standard management, drafting, implementation, supervision and legal responsibilities.

According to the general principle, the state will develop standardization in a planned way and encourage the adoption of international standards and the advanced standards of other countries, and the participation in working out international standards.

The regulations say that standards will be worked out for industrial product varieties, specifications, qualities, grades, designs, production, tests, packaging, storage, transportation and security.

The state will also set standards for farm produce such as seeds, species and breeding stocks, covering varieties, qualities, production techniques and management technology.

The regulations stipulate that all people engaged in scientific research, production and business must strictly implement compulsory standards for products such as food and medicine. Such products are not allowed to be manufactured, sold or imported if they do not conform to the compulsory standards.

Intellectual Property Legislation Viewed

OW2104164590 Beijing XINHUA in English
0716 GMT 21 Apr 90

[Text] Beijing, April 21 (XINHUA)—The Chinese Government has always attached importance to the protection of intellectual property and is increasing its legislative efforts in this area, an official from the Ministry of Foreign Economic Relations and Trade (MOFERT) has said.

Yuan Zhenmin, director of the Treaties and Laws Department of Ministry of Foreign Economic Relations and Trade (MOFERT), made the remark in an interview which was carried on the front page of today's "INTERNATIONAL BUSINESS."

According to Yuan, the State Council had already examined China's draft copyright law and submitted it to the National People's Congress Standing Committee in December last year for further deliberation.

Although the draft law applies to the protection of computer software, Yuan said, China plans to make a set of special regulations to protect computer software which has characteristics of its own.

He said that an amendment to the patent law is being drafted. China's patent system has been practiced for only five years, and it is impractical to expect it to be as complete as those of developed countries in such a short period of time, Yuan said.

Judging from China's conditions and the development of such legislation in other parts of the world, Yuan noted,

the process of legislation over intellectual property in China has been much quicker than that in other countries.

He said that the United States knows about China's progress in the protection of intellectual property, since the two countries have held several consultations over the issue.

"I hope both countries increase their mutual understanding and trust so as to facilitate bilateral economic, trade and technological co-operation," Yuan added.

According to him, China has drawn up several laws since 1979 to grant legal protection over trademarks, patent rights and commercial secrets, and intellectual property is also protected under Chinese law as a civil right.

Besides, China has tried to link its domestic legislation with common international practice by participating in such international bodies as the world intellectual property organization, the Paris convention for the protection of industrial property and the Madrid agreement for international registration of trademarks.

Products and technologies that do not enjoy the protection of China's patent law are protected through contract terms, Yuan said.

National Enterprise Management Meeting Ends

*OW2004133690 Beijing Domestic Service in Mandarin
0930 GMT 19 Apr 90*

[By station reporter (Ye Shuzhen); from the "National Hookup" program]

[Text] Addressing a national discussion meeting on enterprise management which ended on 18 April, the responsible person of the Production Committee of the State Council emphasized: Doing a good job in handling the production of the industrial and communications sectors during the second quarter is the key to fulfilling this year's national economic plan. It is necessary for every area and department to focus its efforts on the central task of extricating itself from the encumbrance of slow growth in the production of the industrial and communications sectors and increasing the industrial economic returns in a bid to bring about a rebound in industrial production during the second quarter and laying a foundation for the growth of production during the third quarter. To achieve this objective, we must work successfully in handling the following tasks.

First, close attention must be paid to ensuring implementation of the policies and measures recently formulated and promulgated by the State Council. Strenuous efforts must be made to strictly sort out and settle the triangle debts. Utilization by recipient institutions and departments of the funds recently granted to them must be further checked and supervised. Measures must be taken to solve the problems existing in the production of the machine- building and electronics, automobile, light

industry, and household electrical appliances sectors in a bid to make the four sectors have smooth production as soon as possible and increase their production during the first half of this year.

Second, while paying attention to making sure that the production of some major industries dovetail, it is necessary to help the major industrial provinces and municipalities across the country solve problems encountered in production by means of, for example, holding a meeting of the production committee for handling official business on the spot separately and by other methods.

Third, the "Double Increase and Double Economy" campaign must be carried out in a down-to-earth manner until it yields good results. Efforts must be focused on economizing consumption of energy and raw and semi-finished materials and improving the quality of products and their price level to promote development of new products.

At the meeting, the 45 enterprises rated as China's best called on industrial enterprises across the country to display their spirit as masters and actively commit themselves to the "Double Increase and Double Economy" campaign and the activity of making reasonable suggestions in the course of the drive to improve the economic environment, rectify economic order, and deepen reform, unfolding a socialist contest [among the industrial enterprises] to strive for better efficiency and economic returns through improved management to make new contributions to promoting a sustained, steady, and coordinated national economic development.

Government Supports Minorities' Industries

*HK2004084590 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0740 GMT 19 Apr 90*

[*"China Supports Industries in Minority Nationalities Regions"*—ZHONGGUO TONGXUN SHE headline]

[Text] Reports say that the Chinese Government will continue to implement a preferential policy toward industries in minority nationality regions and to encourage these regions to give priority to light industrial development.

In 1981 the Chinese Government began to allocate special development funds for minority nationality regions and provide their enterprises with iron, copper, lead, tin, zinc, plate glass, gold, silver, and other industrial materials.

The Chinese Government provides low-interest loans for enterprises in minority nationality regions and give preference, including tax reduction and exemption, to enterprises having difficulties.

An official responsible for this work disclosed that the Chinese Government has planned that minority nationality regions maintain their industrial growth rates from eight to 10 percent up to 1995, with their industrial output value ranging from 2.7 to 3 billion yuan.

Last year the output value of products for minority nationalities amounted to 1.8 billion yuan, an increase of 7.6 percent over the previous year. Now 1,700 enterprises in China are manufacturing some 5,000 kinds of products for minority nationalities. Most of these enterprises are located in minority nationality regions such as Lhasa, Urumqi, Kunming, Chengdu, Nanning, Xining, Guiyang, and Hohhot.

Products manufactured by these enterprises include minority nationality fashion, gold and silver ornaments, furniture, copper wares, kitchen utensils, and decorations. Following the opening up of minority nationality regions to the outside world, these products have found their way to markets in Mongolia, Eastern Europe, the Middle East, Japan, and the United States. Last year their export volume amounted to \$331 million.

Editorial Surveys Land-Leasing Programs

HK2304141590 Hong Kong WEN WEI PO in Chinese
17 Apr 90 p 2

[Editorial: "Developing a Stretch of Land at a Time Is Conducive To Opening Wider to the Outside World"]

[Text] Last week, the executing meeting of the State Council discussed and approved in principle the "Interim Rules on Attracting Foreign Investment for the Comprehensive Development and Management of Large Stretches of Land." This indicated that the decision-making authorities not only reached a consensus of opinion on the issue of leasing land to foreign investors, which caused frequent controversy in the past few years, but also affirmed this method from the angle of adopting certain administrative rules. This is a major posture of China at present in the aspect of opening up to the outside world.

Leasing land to domestic or foreign investors and allowing them to develop and use the land within a set time limit is a measure which has been prevalent in the world since World War II. In this regard, successful experiences can be found in Northeast Asia and Southeast Asia. Facts show that as long as there are perfect legal guarantees and the investment environment is continuously improved, land leasing is an effective measure for accelerating the use of foreign funds for economic development in the developing countries and regions.

China has pursued the policy of opening up to the outside world for 10 years, but land leasing has just been started there. Since last year, the Yangpu development program in Hainan, the economic and technological

development estate in Tianjin, and the Panda Automobile City in Huizhou of Guangdong were three outstanding cases in this respect. Among them, the controversy over the Yangpu program in Hainan was most noticeable. For those who strongly opposed the program of leasing a large stretch of land to foreign investors for development, the main rationale was that "such practice would give rise to contemporary 'concessions' in China." This opinion was rather influential and won quite a lot of support on the mainland. This delayed the starting of construction projects in the Yangpu Development Zone for a long time. People who held this opinion did not oppose the policy for opening up to the outside world and inviting foreign investment, nor did they feel that it was proper to give the land-use right to foreign investors in the form of land leases.

In addition, an opinion persists that the special economic zones and the economic and technological development estates in various open coastal cities have provided certain areas of land and ready-made plants for foreign investors to run factories, so there is no need to lease land to them. In fact, this option is described as "building a nest to wait for the coming of birds." It is a rather costly program that requires huge investment and takes a long time. This measure is affected by the current retrenchment policy on the mainland and is obviously unsuited to the current situation. Moreover, after the "nest" is built, it will still be uncertain whether the "birds" are willing to perch there. However, if land is leased to foreign investors for developing certain projects, the "nests" will be built by the foreign investors themselves, and the mainland authorities will not need to seek funds, which are so scarce now, for land development, nor do they have to be worried about whether "birds" will come to perch. In fact, the foreign investors who undertake the lease are themselves the "birds" that make use of the facilities on the land, so there is no such a problem of whether "birds" will come to perch in the "nest."

The most important conditions for leasing large stretches of land to foreign investors are to formulate all necessary laws that give a definition to such practice, stipulate the jurisdiction and procedures for approving such leases, and arrange the management over various links concerned. Thus, the administrative departments concerned in China can follow the established rules and procedures, and foreign investors can also be clear about their rights and duties. At the same time, each contract for developing a whole stretch of land should also be written clearly in details and should explicitly stipulate things that should be controlled by the Chinese side as they are related to state sovereignty. The management rules adopted by the executive meeting of the State Council this time will provide necessary administrative norms for foreign investors to follow and will thus provide assurance for the special economic zones, the authorities of the development estates, and the foreign investors as well.

The management rules were adopted at an opportune moment. At present, China needs to take a step forward in its practice of opening up to the outside world and to put forward many new measures and policies. Taiwan's large enterprises are making investments in Xiamen, Fujian; the projects in the Yangpu Development Zone in Hainan will be started; a large-scale development project in Pudong, Shanghai, will also be started. All of these projects require the input of huge foreign investments and are related to the development of large stretches of land. The old conception and the old pattern are no longer suited to the new stage. The "Government Work Report" submitted to the Third Session of the Seventh National People's Congress [NPC] mentioned the need to "use construction projects to bring along the development of large stretches of land." Shortly after the conclusion of the NPC session, the executive meeting of the State Council adopted the interim rules for managing the development of large stretches of land through inviting foreign investment. This indicated that both popular opinion and the decision-making authorities had affirmed the necessity and feasibility of the land-leasing development programs. We look forward to the quickest possible promulgation of the management rules that will be favorable to the quickest appearance of a new situation in opening up to the outside world.

Fei Xiaotong Proposes Developing Yangtze River

OW2404232090 Beijing XINHUA in English
1350 GMT 24 apr 90

[Text] Shanghai, April 24 (XINHUA)—The China Democratic League (CDL), one of China's non-communist parties, has made a proposal to the Chinese Communist Party Central Committee on the development of the Yangtze River Delta, a senior member of the CDL said here today.

According to Shou Jinwen, adviser to the Shanghai municipal committee of the party, CDL Central Committee Chairman Fei Xiaotong has suggested that a Yangtze River Delta economic development zone be set up centering on Shanghai and in co-operation with Jiangsu and Zhejiang Provinces.

Fei's suggestion also includes the development of a number of ports on the delta, and a coordinated division of labor between the city and the provinces.

Shou Jinwen said that the CDL chairman is now making on-the-spot studies in the area.

Speaking at the Third Plenary Meeting of the Municipal Committee of the Chinese People's Political Consultative Conference, Shou suggested that in developing the planned urban area of Pudong, Shanghai should take the advantages of the Yangtze River Delta into consideration for a comprehensive development program.

Drop in Farmers' Incomes Causes Investment Slump

HK2304054190 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23 Apr 90 p 2

[By staff reporter Zhang Yu'an]

[Text] An actual drop in farmers' incomes has dampened their enthusiasm for making increased investments in agricultural production, according to a report from the State Statistical Bureau.

Consequently, the serious problem of "a weak after effect" on China's agricultural production "still exists," although the central government has given a top priority to agricultural production this year.

The latest figures from the General Organization of Rural Economic and Social Survey under the State Statistical Bureau show that the per capita net income of farmers in 1989 was 875 yuan (\$186.17). Of that income, 657.7 yuan (\$139.94) was in cash.

Taking price rises into account, the figures represented a drop of 1.6 percent in farmers' net income or a drop of 3.3 percent in their cash income.

In turn, farmers spent 0.5 percent less on farming business and 12 percent less on investment in fixed assets last year as against 1988.

But at the same time, their spendings on consumer goods showed a 0.5 percent decrease for the same period.

In addition to the income drop factor, the report cited also several other reasons as being responsible for the investment drop in agricultural production.

First of all, investment in agriculture farming brings low efficiency. And the net income from one yuan's worth of investment last year was down by 1.2 percent compared from 1988.

Meanwhile, external conditions for agricultural production were "still unreasonable," the report said.

The rises in grain, cotton and edible oil prices were still much slower than that of chemical fertilizers, farm pesticides and agricultural-use plastic films, which are major agricultural production materials.

A tight loan policy in 1989 also affected farmers' investment in agriculture.

Statistics show that on a per-farmer basis, loans received from credit cooperatives in the countryside dropped by 28.8 percent last year while savings in banks increased by 16.5 percent.

Moreover, farmers spent 20.4 percent more on non-production sectors, such as sending gifts for relatives and friends, in 1989 compared to the previous year.

The rural economy report concluded that the State should take measures to encourage farmers to invest in agricultural production that is vital to China's economic and social stability.

Reform should continuously be carried out in readjusting the prices of agricultural products and non-staple products in order to maintain a reasonable ratio between the prices of agricultural products and of agricultural-production related materials.

Market forecasting for various agricultural products should be improved so as to reduce the risks of investment by farmers.

According to the report, the average cash and bank savings each farmer has stand 291.2 yuan (\$61.96). There are over 800 million people in China's vast countryside.

Some experts pointed out that if farmers take out 10 percent of that money to invest in production, the sum will come to 25.47 billion yuan (\$5.42 billion).

Furthermore, the report suggested, China should set up a "compensation system" to encourage farmers' long-term or tremendous investment in agriculture. This would include setting up a system of agricultural investment risk insurance.

East Region

Anhui People's Congress Appoints Officials

OW2204202890 Hefei ANHUI RIBAO in Chinese
14 Apr 90 p 1

[Text] Namelist of personnel appointed and removed by the Standing Committee of the Anhui Provincial People's Congress:

(Adopted on 13 April 1990 at the 16th Session of the Standing Committee of the Seventh Anhui Provincial People's Congress)

1. Appointments:

Zhu Choumei [2612 0092 5019] is appointed as chairman of the provincial Education Commission;

Cui Zongyun [1508 1350 9462] is appointed as director of the provincial Department of Light Industry; and

Gao Qianqing [7559 0467 3237] is appointed as director of the provincial Department of Petrochemical Industry.

2. Removals:

Du Yijin [2629 1355 3866] is removed from the post of chairman of the provincial Education Commission.

Namelist of appointments approved by the Standing Committee of the Anhui Provincial People's Congress:

(Adopted on 13 April 1990 at the 16th Session of the Standing Committee of the Seventh Anhui Provincial People's Congress)

Appointment approved:

Ma Yixin [7456 5030 2450] is appointed as chief procurator of the Bengbu City People's Procuratorate.

Jiangxi Holds Standing Committee Meeting

HK2104042890 Nanchang Jiangxi Provincial Service
in Mandarin 1000 GMT 17 Apr 90

[Text] The 14th Session of the Standing Committee of the Seventh Jiangxi Provincial People's Congress was officially convened in Nanchang on the afternoon of 15 April.

The session was mainly devoted to studying the spirit of the Sixth Plenary Session of the 13th CPC Central Committee and the spirit of the Third Plenary Session of the Seventh National People's Congress [NPC] and discussing the "Draft Work Report of the Standing Committee of the Jiangxi Provincial People's Congress" and a number of provincial laws and regulations.

All the members of the Standing Committee of the Jiangxi Provincial People's Congress unanimously held that the "Decision of the CPC Central Committee on Strengthening Ties Between the CPC and the People," which was adopted by the Sixth Plenary Session of the

13th CPC Central Committee, is a comprehensive and important document. The implementation of the "decision" will definitely strengthen the existing ties between the CPC and the people, enhance the unifying force and combat effectiveness of the CPC, mobilize all positive factors in society, develop the spirit of hard work, and enable the CPC to successfully accomplish her historical mission. An overriding task at present is to maintain political, economic, and social stability in China. In order to accomplish this task, it is necessary to rely on the broad masses of the people. Practice over the past many years has borne out that only by fully trusting and relying on the broad masses of the people will it be possible for the CPC to implement to the letter all her basic principles and policies and win one victory after another.

All the members of the Standing Committee of the Jiangxi Provincial People's Congress also unanimously agreed that the Third Plenary Session of the Seventh NPC was another meeting of great importance following the Fourth Plenary Session, Fifth Plenary Session, and Sixth Plenary Session of the 13th CPC Central Committee. The "Draft Work Report of the Standing Committee of the Jiangxi Provincial People's Congress" has realistically reflected the work done by the Standing Committee of the Jiangxi Provincial People's Congress over the past year in the following six aspects: 1) legislation; 2) supervision; 3) opposing bourgeois liberalization and turmoil; 4) maintaining overall social stability in Jiangxi; 5) promoting Jiangxi's economic development; 6) promoting development of socialist democracy in Jiangxi.

The session also conscientiously discussed "Draft Jiangxi Provincial Regulations on Family Planning," "Draft Jiangxi Provincial Regulations on Assembly, Procession, and Demonstration," and "Draft Jiangxi Provincial Regulations on Protection of Post and Telecommunications."

Jiangxi Inspection Commission Meeting Held

HK2304055590 Nanchang Jiangxi Provincial Service
in Mandarin 1000 GMT 18 Apr 90

[Excerpt] The Eighth Plenary Session of the CPC Jiangxi Provincial Discipline Inspection Commission was held in Nanchang from 14 to 17 April.

The meeting primarily studied and implemented the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, the Sixth Plenary Session of the Central Discipline Inspection Commission, and the 10th Plenary Session of the Eighth Jiangxi Provincial Party Committee, discussed how discipline inspection organs play an active role in strengthening the ties between the party and the people, and examined and approved the opinions of the CPC Jiangxi Provincial Discipline Inspection Commission on the provincial party committee's opinions on the implementation of the decision of the party Central Committee.

The meeting pledged unanimous support for the decision adopted at the Sixth Plenary Session of the 13th CPC Central Committee on strengthening the ties between the party and the people and showed no difference in opinion in the 10th plenary session of the eighth provincial party committee on striving to make notable progress in strengthening the ties between the party and the people this year and next.

The meeting emphatically pointed out: Discipline inspection organs at all levels of the province should, in accordance with the opinions of the provincial party committee, study and implement the central decision in the spirit of rectifying the party's work style, play an active role in strengthening the ties between the party and the people, and continuously improve the party's work style in our province. [passage omitted]

Activities of Shandong's Jiang Chunyun Viewed

Visits Qihe County

SK2504003290 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 15 Apr 90

[Text] On 14-15 April, Jiang Chunyun, secretary of the provincial party committee, conducted investigations and study in Qihe County, with which he maintains communications.

Jiang Chunyun successively visited more than 10 peasant families in three towns and townships and five villages of different production categories; cordially asked the people there about their production, living, and ideological conditions; and asked them what opinions and requirements they held on the government.

The people reflected problems in three spheres to the secretary of the provincial party committee.

First, various service systems are not perfect enough. Second, such phenomena as supplying fake capital goods or supplying capital goods at higher prices or at less amounts occur now and then. Third, increasingly more and larger portions of profits solicited by higher levels are recklessly fixed. The people have to hand over larger portions of profits because the quotas rise at each level. Sometimes, the people are unable to withstand this.

While listening to the people's opinions, Jiang Chunyun was sometimes lost in thought and sometimes nodded his head. He resolutely said: Only when the provincial party committee, the provincial government, and party organizations at various levels conscientiously implement the guidelines of the sixth plenary session, deepen reforms, and are seated together with the masses will many problems be solved in a rapid manner. If some problems cannot be solved temporarily, we have to clearly explain the situation to the people. Never are we allowed to play the tricks of loud talk but small results. In regard to doing concrete deeds for the people, party committees and governments at various levels must not be confined to solving the problems of supplying

improved varieties of crops and chemical fertilizer. At the time of supplying improved varieties of crops and chemical fertilizers, party committees and governments at various levels should develop the collective sector of the economy based on stabilizing the production responsibility system. If the collective sector of the economy cannot be well developed, cadres will find it difficult to do their jobs well just as when parents-in-law do not have money and grain [their daughter-in-law will not obey them]. Only when the collective sector of the economy is expanded will we be able to develop some large-scale welfare service facilities for the masses. So long as the masses' difficulties are eliminated can they deepen their relationship with cadres. Under such circumstances, it will be certain that a new situation in our socialist construction emerges.

Speaks at Report Meeting

SK2404041890 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 20 Apr 90

[Text] On the afternoon of 20 April, the Shandong Provincial CPC Committee sponsored a report meeting on the theories of inheriting and carrying forward the party's fine tradition in the auditorium of the Nanjiao guesthouse's club.

Jiang Chunyun, secretary of the provincial party committee, presided over and addressed the report meeting. In his speech, Jiang Chunyun pointed out that the decision adopted at the Sixth Plenary Session of the 13th CPC Central Committee with regard to enhancing the contact between the party and the masses is a most important Marxist document and also is another important policy decision on carrying forward the party's fine tradition and enhancing party building. In order to implement the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, the provincial party committee has decided to hold a report meeting in April or May on the theories of inheriting and carrying forward the party's fine tradition and to invite several veteran comrades in the provincial level organs to make speeches on the party's tradition and their personal experience gained along with the development of the party's history so as to educate the cadres of the provincial level organs with the party's fine tradition. Veteran comrades in provincial level organs are the personnel who have fought in the revolutionary ranks for more than a half century; personally experienced the process of the party's maturation, growth, and development; long been educated and nurtured in the practice of developing the party's fine tradition and launching an arduous struggle; and have profoundly learned about and had rich experience in maintaining flesh-and-blood ties with the masses. Hearing reports given by these veteran comrades will enable us to be deeply educated by the vivid facts which have cropped up in the development of the party's history and to gain more experience from them. It is very important for us to deepen our understanding of the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, to inherit and carry forward the

party's fine tradition under the new historic period, to maintain or develop the flesh-and-blood ties with the masses, and to enhance the party's cohesion and fighting strength.

At the report meeting, Tan Qilong, member of the Central Advisory Commission, delivered a theoretical report entitled "The Party's Strength Resides Among the Masses." His report is composed of the following four parts: 1) The elderly proletarian revolutionaries of our party have always paid great attention to contact with the masses and the work of carrying out investigation and study and stressed the work of energetically encouraging the practice of conducting investigation and study throughout the party; 2) the masses are the creators of history and the party's line, principles, and policies are reflections of the people's interests and desires, which can be realized by relying on the masses. Otherwise, our party will achieve nothing. Establishing close ties with the masses represents the fine tradition and workstyle which have been fostered by our party through the long revolutionary struggle and the precious heritage which cannot be lost by our party at any time; 3) in order to obtain the people's support, we must represent the people's interests and serve the people wholeheartedly. We should do so not only in wartime but also in the period of building socialism; 4) in order to establish close ties with the masses, it is necessary to listen the people's opinions with an open mind and to repose full confidence in the masses while making contact with them. This is a necessary condition for enhancing the ties between the party and the masses.

In his report, Tan Qilong stated: In successfully building up our party, what is fundamentally important at present is that a good job should be done in establishing the relationship between the party and the masses. Recently, leading comrades of the central authorities repeatedly went deep into the grass-roots level units to carry out investigation and study and called on the entire party to carry forward the spirit of Jinggangshan, Yanan, and Daqing and to launch the campaign of learning from Lei Feng and from the lofty character of heroic personages. Therefore, leading cadres at all levels should set examples in earnestly studying the decision of the central authorities and the directives of central leading comrades and in consciously maintaining a good tie between the party and the masses to safeguard the party's image, to maintain the political situation of stability and unity, and to closely unite the masses with the party so as to enable them to actively plunge into the cause of building socialist modernizations throughout the motherland.

Attending the report meeting were leading comrades, including Ma Zhongchen, deputy secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province; Li Zhen, chairman of the provincial People's Congress Standing Committee; and more than 100 party-member cadres from the provincial level organs at or above the section level.

Attends Awards Meeting

SK2504044090 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 22 Apr 90

[Text] The provincial Enterprise Management Society and the provincial Entrepreneurs Association jointly held a meeting to present awards to 17 enterprises, including the Jinan Weighing Apparatus Plant and the Qingdao Television Plant, for doing an outstanding job in enterprise management in 1989 and eight units for developing advanced enterprise management societies, and to confer the honorable title of the province's outstanding entrepreneurs of the second provincial Entrepreneurs Association on 64 plant directors and managers, including (Yu Wanjun), (Wang Yun), (Ren Jingnan), (Su Yuling), (Li Yanzhong), (Wu Shuxian) and (Yang Daxian), at Nanjiao Hotel in Jinan on the morning of 22 April.

Jiang Chunyun, secretary of the provincial party committee; Ma Zhongchen, deputy secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor; and Ma Zhongcai and Tan Fude, members of the Standing Committee of the provincial party committee; Liu Peng, vice chairman of the provincial Advisory Commission; Xiao Han, vice chairman of the provincial People's Congress Standing Committee; Li Chunting, vice provincial governor; Lu Maozeng, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC]; and Zhang Yanling, chairman of the State Enterprise Guidance Committee, and chairman of the China Entrepreneurs Association; and other leading comrades attended the awards meeting and present awards to the awarded units and individuals.

Li Chunting, vice provincial governor, gave a speech at the awards meeting. On behalf of the provincial party committee and the provincial government, he first extended warm congratulations to the units and individuals receiving awards. Li Chunting said: The broad masses of entrepreneurs throughout the province have made great contributions to deepening reform, developing the economy, and invigorating Shandong. He stressed: It is necessary to further raise the professional level of entrepreneurs, and encourage them to do a good job in fulfilling the glorious mission entrusted to them by history. At present, entrepreneurs should have a strong sense of urgency and responsibility, lead the workers to concentrate their efforts on fighting a general industrial war, fight a decisive battle in the second quarter of this year, and enable enterprises to rapidly get out from the low period, move one stage forward, and make improvement. Li Chunting called on entrepreneurs to wholeheartedly rely on the working class, guarantee workers' legal rights and interests, persist in the policy of Anshan Iron and Steel Company on two participations, one change and three combinations, and let the broad masses of workers realistically sense that they are masters of the enterprises. At the same time, entrepreneurs should

realistically strengthen their own ideological construction and work style, enhance their sense of competition, morality, justice, respect for trained personnel, laws, and discipline, and raise their theoretical level, professional knowledge, and working ability. Governments at all levels and departments concerned should promptly help enterprises solve difficulties, safeguard the reputation of entrepreneurs, strictly investigate and handle cases of persons bringing false charges and taking revenge against plant directors and managers, and create a good external environment for entrepreneurs.

Central-South Region

Guangxi People's Congress Session Opens 18 Apr

HK2504085590 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 18 Apr 90

[Excerpts] [Announcer] Dear listeners: The Third Session of the Seventh Guangxi Regional People's Congress was solemnly opened this morning at 0930 summer time in the auditorium of the regional people's government. The presiding chairmen are the same as the executive chairmen of the presidium of the current session, and are seated in the front row of the rostrum. They are: Chen Huiguang, Gan Ku, Huang Yun, Tao Aiyang, Liu Mingzu, Jin Baosheng, Huang Jia, Wei Zhangping, Shi Zhaotang, Zhang Jingning, Qiu Wenyi, Tian Min, Li Jiwei, and Huang Baoyao. [passage omitted]

[Announcer] Gan Ku, chairman of the Standing Committee of the Guangxi People's Congress and presiding chairman of the presidium, presided over the opening ceremony. [passage omitted]

[Gan Ku] Now, Comrade Cheng Kejie, acting chairman of the regional people's government, will make the government work report.

[Cheng Kejie] Fellow deputies:

Now, on behalf of the regional people's government, I would like to submit a work report to this session for examination and approval.

1989, a Year of Withstanding Tests, Unity and Struggle, and Steady Advance.

In 1989, under the leadership of the CPC Central Committee, the State Council, and the regional party committee, under the supervision and with the support of the regional People's Congress and its Standing Committee, the regional people's government led the people of all nationalities in our region to adhere to the party's basic line of one center, two basic points, implement the spirit of the Fourth, Fifth, and Sixth Sessions of the 13th CPC Central Committee, and further carried out the policy of improving the economic environment, rectifying economic order, and deepening reform in an all-round way. We basically fulfilled all the tasks put forward by the second session of the seventh regional People's Congress. We should say that the year 1989 was a year in which our

region had withstood severe tests, a year of unity and struggle of the people of all nationalities in our region, who had overcome all difficulties and made remarkable achievements in various fields. In the past year, by adhering to the four cardinal principles and opposing bourgeois liberalization, we consolidated and developed the political situation of stability and unity. In the late spring and early summer of last year, when turmoil occurred in some parts of our country and counterrevolutionary riot occurred in Beijing, the governments at all levels in our region maintained unanimity with the CPC Central Committee in the political stand and in action. They resolutely supported the party Central Committee and the State Council's important policy decision on curbing turmoil and quelling the counterrevolutionary riot in Beijing. They also adopted effective measures in light of our regional situation and carried out thoroughgoing and painstaking ideological education and explanation work in various schools, factories, and rural areas. They made great efforts to eliminate the factors of instability in our region. The People's Liberation Army stationed in Guangxi, the officers and men of the armed police corps, and public security cadres and police did a great deal of work to stabilize the overall situation of our region. The broad masses of workers, peasants, and cadres stood fast at their posts to ensure normal operations in their production and work. Although student demonstrations and small-scale turmoil also occurred in some areas of our region, judging from the overall situation, our social order, production, work, and the people's life were normal. The regional political situation was stable. This proves that the resolute measures adopted by the party Central Committee and the State Council were entirely correct and that the more than one million people of all nationalities in our region, who have a glorious revolutionary tradition, were able to withstand all tests.

[Announcer] On the question of inspiring enthusiasm, overcoming difficulties, and endeavoring to fulfill various tasks for 1990, acting Chairman Cheng Kejie said:

[Cheng Kejie] At present, great changes are taking place in the international situation. We have pressure from outside and difficulties at home. The tasks for the government are especially arduous.

In accordance with the spirit of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee and the Third Session of the Seventh National People's Congress and in light of the realities of our region, the guiding ideology for government work in 1990 is: To adhere to the party's basic line for the initial stage of socialism, adhere to the practice of taking economic construction as the center, adhere to the four cardinal principles, adhere to the policy of reform and opening up, and unite the people of all nationalities in our region to build up confidence, overcome difficulties, and further carry out economic improvement and rectification and further deepen reform, so that we can continue to achieve a steady development in our political, economic, and social situation. It is necessary to put

stability in first place. We should have stability in mind when doing anything and make all our work subordinated to and serve stability. We must make great efforts to eliminate instability factors and consolidate and develop the political situation of stability and unity in our region. Political stability and social stability are the prerequisite, and economic stability is the basis. In the final analysis, we must concentrate our efforts on promoting economic development. We must focus our economic work on readjusting structure and increasing economic returns. While continuing to control general social demand, it is necessary to endeavor to increase effective supply. We must oppose the practice of onesidedly pursuing high development speed, but must maintain an appropriate growth rate. We must further strengthen the position of agriculture as the basis of the national economy and put agricultural production, especially grain production, in the first place of our economic work.

The main targets for our economic development this year are proposed as follows: The GNP will increase by 4.5 percent over the past year, while the industrial output value will increase by 6 percent, the agricultural output value by 4 percent, and total grain output by 500 million kg and reach a record high. Financial revenue will increase by 6 percent, and the growth rate of retail prices of commodities in society will be lower than 14.3 percent. The natural population growth rate will be controlled under 14 per thousand. On the basis of economic development, the people's livelihood will be gradually improved.

[Announcer] In order to fulfill various tasks for this year, acting Chairman Cheng Kejie required governments at all levels to firmly grasp the following work.

[Cheng Kejie] 1. To concentrate our strength on promoting agricultural production, striving to achieve a steady growth in the production of some major agricultural products, including grain and sugarcane.
2. To firmly grasp the work of readjusting structure and increasing economic returns, so as to ensure an appropriate growth in industrial production.
3. To continue to put education and science and technology in an important strategic position and give priority to their development.
4. To further implement the policy of double retrenchment and control the growth of general social demand.
5. To continue to rectify economic order and exercise strict control over commodity prices.
6. To deepen and perfect reform of the economic structure and make greater efforts to open up to the outside world.
7. To strengthen the work of helping and developing poor and backward areas and concentrate efforts on solving their problems of food and clothing.
8. To strictly control population growth and take effective measures to strengthen land and environmental protection work.
9. To vigorously strengthen the building of socialist spiritual civilization.

10. To promote nationality solidarity and progress and the building of the socialist democracy and legal system, so as to create a good and stable social environment.

[Announcer] In conclusion, acting Chairman Cheng Kejie said:

[Cheng Kejie] Fellow deputies: The tasks we are faced with are very heavy. On the road of advance, we have encountered and will continue to encounter many difficulties. However, under the correct leadership of the CPC Central Committee and the State Council, provided we firmly rely on the broad masses of cadres and people of all nationalities and work hard in full cooperation and on a realistic basis, we will surely be able to fulfill our tasks and reach our goal. In the first year of the 1990's, we will surely be able to make greater contributions for the people of all nationalities in Guangxi and achieve new victories. Thank you.

Hainan CPPCC Committee Holds Plenary Session

HK2404123390 Haikou Hainan Provincial Service
in Mandarin 2200 GMT 20 Apr 90

[Text] The Third Meeting of the Fourth Plenary Session of the First Hainan Provincial CPPCC Committee was convened in Haikou yesterday afternoon.

The meeting was presided over by Li Mingtian, vice chairman of the Hainan Provincial CPPCC Committee, and attended by Yao Wenxu, chairman of the Hainan Provincial CPPCC Committee, Chen Kegong, Zhang Jintao, Hu Kai, Zhou Song, Lin Hongzao, Chen Hong, vice chairmen of the Hainan Provincial CPPCC Committee, and Huang Zigui, secretary general of the Hainan Provincial CPPCC Committee.

A number of members of the Hainan Provincial CPPCC Committee delivered speeches at the meeting.

In their speeches, the members put forward views and proposals on persisting in and perfecting the CPC-led multiparty cooperation and political consultation system, Hainan's grain production and electronic industry development, Hainan's sanitary condition improvement, Hainan's primary and secondary school education, and on forging closer ties with Hong Kong, Macao, and Taiwan compatriots.

Hainan's Xu Shijie Meets People's Representatives

HK2404121590 Haikou Hainan Provincial Service
in Mandarin 2200 GMT 20 Apr 90

[Text] Yesterday evening, Xu Shijie, secretary of the Hainan Provincial CPC Committee and concurrently chairman of the Hainan Provincial Conference of People's Representatives, Liu Jianfeng, deputy secretary of the Hainan Provincial CPC Committee and concurrently governor of Hainan Province, and Pan Qiongxiong, Cao Wenhua, and Zheng Zhang, vice chairman of the Hainan Provincial Conference of People's Representatives, went to Qiongyan Hotel and Hainan Hotel to see

all the comrades attending the Fourth Plenary Session of the First Hainan Provincial Conference of People's Representatives.

Now the people's representatives from various cities and counties have already arrived in Haikou and are staying at the Qiongyan Hotel and Hainan Hotel.

In the two hotels, the provincial leaders held talks with the people's representatives and asked them about the agricultural production in their respective areas. One representative told Comrade Xu Shjie that the representatives will put forward three motions and 78 proposals at the upcoming session.

Henan's Hou Zongbin Inspects Police Substation

*HK2404123990 Zhengzhou Henan Provincial Service
in Mandarin 2200 GMT 20 Apr 90*

[Text] On the night of 19 April, Hou Zongbin, secretary of the Henan Provincial CPC Committee, Zhang Zhigang, member of the Henan Provincial CPC Committee, and leaders of the Henan Provincial Public Security Department and Zhengzhou City went to Zhongyuan District Public Security Bureau, Ludong Village Police Substation, Zhengzhou Railroad Public Security Bureau, Erqi District Public Security Bureau, Dehua Street Police Substation, and some other police substations in Zhengzhou City to inspect work and see police officers and policemen on duty there.

During his visit, Comrade Hou Zongbin fully affirmed the work done and achievements made by the public security personnel, asked about the work and livelihood of the policemen and police officers, and extended warm regards to all the public security personnel and their families in Henan.

Comrade Hou Zongbin expressed the hope that all the public security personnel in Henan will make greater contributions to maintaining overall stability in Henan by further improving their work.

Comrade Hou Zongbin said that social order has a direct bearing on social stability, economic construction, reform, opening up to the outside world, the on-going campaign of improving the economic environment and rectifying the economic order, and on the life and property of the broad masses of the people as well. All the public security departments and personnel in Henan must firmly bear in mind the principle of serving the people heart and soul. The Henan Provincial CPC Committee and the Henan Provincial People's Government have placed the work of maintaining social order and overall stability high on their agenda. Therefore, all the public security departments and personnel in Henan must continue to develop the spirit of working hard, make persistent efforts to eliminate all hidden factors of instability, severely and resolutely crack all types of criminal activities and economic crimes, further promote comprehensive harnessing of social order, and

carry out in-depth education on a legal system with a view to heightening people's consciousness in abiding by the law and disciplines.

Comrade Hou Zongbin emphatically pointed out that social order is determined by a multitude of factors. All departments and units concerned must conscientiously implement a responsibility system aimed at maintaining social order in a down-to-earth manner in order to further improve social order and promote overall stability in Henan.

Comrade Hou Zongbin also fully affirmed the role played by various neighborhood committees in Zhengzhou in maintaining social order and expressed the hope that the neighborhood committees will continue to closely cooperate with the public security organs at all levels in maintaining social order.

Southwest Region

Tibet's Hu Jintao Inspects Potala Palace

*OW2404120890 Lhasa Tibet Television Network
in Mandarin 1200 GMT 23 Apr 90*

[By station reporter Cheng Hao; from the "Tibet News" program]

[Text] The autonomous regional CPC committee, the autonomous regional government, and the autonomous regional office on Potala Palace maintenance and repair held a joint meeting in the conference room of the autonomous regional people's government on 20 April. (Jiang Huaiyin), a senior engineer and deputy director of the palace maintenance and repair office, briefed Hu Jintao and other leading party and government comrades on the outline for overall renovation of the palace from 1990 to 1993. After thorough deliberation, the meeting approved a construction plan for the renovation project.

On the morning of 22 April, leading comrades of the autonomous regional CPC committee and government, including Hu Jintao, Raidi, Gyamco, Tudao Doje, and Gong Daxi, inspected the palace renovation site to examine and give guidance on the work. They were accompanied by Qiangba Pingcuo, director of the autonomous regional culture department. A responsible person of the technical group of the office on Potala Palace maintenance explained the hazardous sections of the main palace's western hall and the north palace's eastern hall, where complete renovation will start soon. [video shows Tibetan leaders touring various sections of Potala Palace]

After the inspection, the leading comrades said: Potala Palace is a gem of the historical and cultural legacy of the Chinese nation, bringing together Tibetan and Han cultural exchange in architectural art. The renovation project should be completed with fine quality. At the same time, it is necessary to encourage more people to

visit the hazardous sections of the palace so that the whole society will show concern for the renovation project.

Tibetan Leaders Welcome State Council Work Group

*OW2404110990 Lhasa Tibet Television Network
in Mandarin 1200 GMT 23 Apr 90*

[By station reporters Jiang Li and Gesang Mimar; from the "Tibet News" program]

[Text] A work group sent by the State Council to comfort disaster victims in Tibet arrived in Lhasa by plane on 23 April. The work group was greeted at the airport by Gong Daxi, chairman of the autonomous regional people's government, and responsible comrades of the autonomous regional Agricultural Commission, Civil Affairs Department, Commerce Department, Administration for Office Affairs, and the Nagu Prefectural Administrative Office. [Video opens with shots of airplane landing, cutting to show Gong Daxi presenting white scarves to members of the work group]

When the group members arrived at the autonomous regional guesthouse, they were welcomed by Secretary Hu Jintao and Deputy Raidi of the autonomous regional CPC Committee and Vice Chairman Puquang of the autonomous regional people's government, who were waiting for their arrival. They shook hands and exchanged greetings with each other. [Video shows Hu Jintao, Raidi, and Puquang shaking hands with work group members]

Zhang Dejiang, deputy head of the work group and vice minister of civil affairs, said: With profound concern over the snowstorm in northern Tibet, the State Council has specially dispatched the work group to inspect the disaster situation and work with the autonomous region to study disaster relief measures and help disaster victims minimize the damage inflicted by the snowstorm.

Zhang Dejiang continued: The State Council is pleased with the disaster relief work carried out by the autonomous region. On behalf of the State Council, the work group extends warm regards to the people in the disaster area and sincere gratitude to the People's Liberation Army, armed police commanders and fighters, medical personnel, and other staff workers for their efforts in delivering disaster relief and combating the natural disaster. Secretary Hu Jintao of the autonomous regional party committee briefed the work group about the disaster situation. [Video shows Zhang Dejiang seated, speaking in a large room]

Dalai Lama Calls for Autonomous Tibet

*OW2004133090 Tokyo KYODO in English
1257 GMT 20 Apr 90*

[Text] Dharamsala, India, April 20 KYODO—The Dalai Lama, the Tibetan spiritual leader, called on China Thursday [19 April] to respond sincerely to his proposals

for an autonomous Tibet. In a 40-minute interview with KYODO NEWS SERVICE in his exile home in Dharamsala, 250 kilometers north of New Delhi, the Dalai criticized China for having shown no willingness to restart a dialogue to resolve the Tibetan problem. The Nobel Peace prizewinner said he has not received any official response from Beijing since last April when he expressed his willingness to send three of his officials to Hong Kong for talks with the Chinese Government to end the deadlock.

The 54-year-old religious leader, who fled to India in 1959, when an uprising against Beijing's control failed, said he still stands by proposals he made in 1988 to the European Parliament for an autonomous Tibet, with foreign and defense responsibilities remaining in Beijing's hands. Acknowledging the criticism of some radical Tibetans, who have accused him of "selling out" Tibet to China, the Dalai Lama said that, due to changing times and considering the future, his "middle way" was an appropriate way to solve the problem of thousands of Tibetans being arrested, tortured, or killed in their country.

The Dalai Lama said Beijing had taken a tougher stand on Tibet since he won the 1989 Nobel Peace Prize for his nonviolent struggle. He feared that the Chinese had stepped up their vigilance in many parts of Tibet and have even sent tanks to Lhasa to supplement the 300,000 troops stationed there.

The Tibetan spiritual leader said he was certain that in the next five to 10 years a major political reform would engulf China, even though the current leadership succeeded in stalling a prodemocracy movement in Beijing last year.

The Buddhist monk emphatically refused to play any political role in Tibet in future, even if he is elected through a democratic process by his people. So long as Tibetans need the institution of the Dalai Lama, his successor, the 15th Dalai Lama, will appear and if the Tibetan people feel that the institution is not necessary, then there is no need for it, he said.

Referring to the Muslim separatist movement in India's northern state of Jammu and Kashmir, where militants have been demanding independence or its transfer to Pakistan, the Dalai Lama said, "I believe the 1948 solution to the Kashmir problem was wrong since I believe that the achievement of a solution through force is not a genuine one. So the problem persists even after four decades." He said the only solution to the problem lies in nonviolence and a dialogue between India and Pakistan.

On Nepal, where a mass uprising recently succeeded in bringing about a democratic system, the Dalai Lama said he was happy that Nepal's King Birendra, after seeing the situation, had conceded to popular demands.

North Region

Hebei CPPCC Vice Chairman Committee Elected

OW2204170490 Beijing XINHUA Domestic Service
in Chinese 1138 GMT 22 Apr 90

[Text] Shijiazhuang, 22 Apr (XINHUA)—At the Third Session of the Sixth Hebei Provincial Chinese People's Political Consultative Conference [CPPCC] Committee held today, Wang Zuwu [3769 4371 2976] was elected an additional vice chairman of the Sixth Hebei Provincial CPPCC Committee.

Tianjin's Tan Shaowen Attends Municipal Meeting

SK2404131490 Tianjin TIANJIN RIBAO in Chinese
31 Mar 90 p 1

[Text] "Efficiency is the life of the work of leading organs, and improving efficiency and stressing efficiency are essential conditions for ensuring the fulfillment of functions of leading organs and for ensuring the smooth progress of various items of work. In implementing the guidelines of the sixth plenary session, a very important task facing party and government organs at all levels throughout the municipality is to persist in the basic purpose of wholeheartedly serving the people and striving to improve work efficiency," said Tan Shaowen, secretary of the municipal party committee, at the Tianjin municipal meeting of directors of offices of party committees and governments in various districts, counties, and bureaus, which ended on 30 March. Zhang Lichang, deputy secretary of the municipal party committee and executive vice mayor, attended the 30 March meeting and made a speech.

To implement the guidelines of the national forum of party committee secretaries general, the general offices of the municipal party committee and the municipal government jointly held a municipal meeting of directors of offices of party committees and governments in various districts, counties, and bureaus from 28 to 30 March. Comrades participating in this meeting conscientiously studied the speeches made by Comrade Jiang Zemin and other central leading comrades at the national forum of party committee secretaries general. Li Jianguo, secretary general of the municipal party committee, and Fang Fengyou, secretary general of the municipal government, dwelt on further strengthening and improving the work of general offices and offices of party committees and governments. The meeting also exchanged experiences, discussed pertinent documents, and studied opinions and measures for improving the work.

Tan Shaowen said: General offices and offices are important work departments which play an important role in fulfilling all tasks. Over the past few years, comrades of offices of party committees and governments throughout the municipality have set strict demands on themselves, made efforts to improve their

policy-implementing and professional expertise, and satisfactorily fulfilled the various tasks assigned them by all levels of party committees and by administrative leaders, with a conscientious and responsive attitude and with a revolutionary spirit of bravely overcoming difficulties. At the same time, these comrades have persisted in the basic purpose of wholeheartedly serving the people, paid attention to their work, have been willing to bear hardships, have quietly immersed themselves in hard work, have been ready to dedicate themselves to the country, and have been willing to be an unknown hero, thus manifesting a good state of mind and a very high degree of political awareness. Their work has satisfied leaders at all levels. Tan Shaowen expressed hope that offices at all levels would conscientiously summarize experiences, carry forward achievements, correct shortcomings, and improve work methods so as to achieve new progress in their future work.

Tan Shaowen pointed out: The national forum of party committee secretaries general emphatically stressed 'the necessity of improving work style, upholding the party's mass line, and seeking truth from facts. Offices at all levels should strive to meet this requirement. In improving work style, general offices and offices should focus on strengthening supervision and examination of their work and on strengthening investigation and study of information. Continued efforts should be made to establish a sensitive and highly efficient information network of party committees, and new endeavors should be made to strengthen the investigation and study of information. The information should be firmly geared to the guiding ideology of the municipal party committee known as "making all undertakings facilitate stability" and "turning difficulties into opportunities," and should be geared to helping party and government leaders maintain the stability of Tianjin's overall situation, surmount all difficulties, and boost the national economy. The information must reflect the condition and the will of the people as sensitive, accurate, and as timely as possible. In releasing information, it is necessary to seek truth from facts, reporting not only good news but also bad news. Offices at all levels should support party and government leaders to firmly grasp their work, should exert great effort in helping implement the party's principles and policies, and should conduct arrangements and examinations for the implementation of various policy decisions and work dispositions made by the CPC Central Committee and the municipal party committee.

Tan Shaowen stressed the necessity of persisting in the basic purpose of wholeheartedly serving the people and actually improving work efficiency of leading organs. Generally viewed, the work of party and government organs at all levels in the municipality is highly efficient. Over the past few years, these organs have adopted quite a few measures and made progress in improving their work style and work efficiency. It should be noted, however, that the phenomena of bureaucratism and low efficiency still exist at some departments and units to

varying degrees, and such phenomena are even very serious at a few departments and units. For instance, some departments and units have looked very busy, but, in fact, they have spent quite a bit of time and energy on studying excessive documents, holding excessive meetings, and sponsoring unnecessary courtesy activities. Others have been dilatory and perfunctory in doing things and shifted responsibility onto others when problems emerged. Others have indulged in empty rhetoric, but performed no concrete deeds. Others have been irresponsible in their work, and have refused to take the mass line, thus causing mistakes in policymaking. All these phenomena are an expression of irresponsibility for the party and the masses. Similarly, the masses are also dissatisfied with the low work efficiency and bureaucratism of party and government organs. The failure to solve this problem will directly affect the relations between the party and the masses and between the cadres and the masses. Therefore, leaders at all levels must ideologically attend to solving this problem, must be determined and energetic in improving offices' work efficiency with the spirit of reform. To this end, at the moment, attention should be paid to the following two tasks. First, it is necessary to reeducation on the Marxist viewpoint on the masses and the party's mass line among party and government office cadres with a view to constantly enhancing their consciousness in serving the people and their sense of responsibility and dedication, and enabling them to perform official duties not only honestly but also industriously. Second, it is necessary to further implement the series of regulations and measures with regard to improving work style, formulated by the party Central Committee and the municipal party committee, vigorously reduce the number of documents and meetings, exercise strict control over the holding of unnecessary courtesy activities of various kinds, and further improve the style of meetings. It is also necessary to organize party and government office cadres to go deep into the grass roots to solve practical problems for the masses in a down-to-earth manner. Measures should be adopted to solve some units' problems. Some people have nothing to do, while some jobs have nobody to take them.

Tan Shaowen called on party and government leaders at all levels to attach importance to the work of offices, to have faith in office cadres, and give them a free hand in their work in order to bring into full play the role of offices. At the same time, party and government leaders at all levels should strengthen the cultivation and building of the ranks of office cadres, and should create necessary conditions for the work, livelihood, and growth of such cadres.

In his speech, Zhang Lichang discussed the question of how leaders at all levels should further exploit the role of general offices and offices. He pointed out: General offices and offices are very important departments. The key to exploiting the role of general offices and offices lies in leadership. Leaders at all levels should earnestly listen to opinions and suggestions of others. What is

important lies in concrete deeds and solid results. Leaders at all levels should enable office directors to concentrate their energy on doing concrete deeds, and should allow them to go deep into grass roots to conduct investigations and studies in an effort to yield solid results without any exaggerations. Leaders at all levels should also be concerned with and give support to the work of offices, and should positively create necessary materials conditions for the work of offices. Offices at all levels should attend to the self-construction of their ranks of cadres, and should constantly improve their cadres' political and professional expertise in order to gear them to the demands of the current situation and tasks. Attending the meeting were directors of offices of party and government organs of various departments, commissions, offices, districts, counties, and bureaus. Attending the meeting upon invitation were secretaries general of the municipal Advisory Commission, the municipal People's Congress Standing Committee, the municipal committee of the Chinese People's Political Consultative Conference, and the municipal Discipline Inspection Commission.

Tianjin's Tan Shaowen Attends Work Meeting

SK2404091090 Tianjin TIANJIN RIBAO in Chinese
 28 Mar 90 pp 1, 3

[Text] In order to strengthen the building of grass-roots party organizations, the rural work committee of the municipal party committee held a meeting of rural party members to exchange experiences in attaining certain management targets at Yangcun on 27-28 March. At the meeting, Tan Shaowen, secretary of the municipal party committee, stressed: It is necessary to conscientiously implement the guidelines of the sixth plenary session, further enhance our understanding of the importance of strengthening party building, pay great attention to doing a good job in building grass-roots party organizations and raise our municipality's party building work to a new level.

At this meeting, responsible persons of party organizations of 12 districts, counties, and townships introduced their experiences. Tan Shaowen said: Over the past few years, our municipality has laid a good foundation for the party's work in the rural areas. The party's grass-roots organizations and the ranks of party members have fighting strength. They have displayed their role as the leading core and their vanguard and exemplary role in the course of developing production and stabilizing the rural social situation. The party committees at all levels on the agricultural front have actively explored ways and methods to strengthen the building of grass-roots party organizations under the new situation and have accumulated some experiences. The method of urging party members to attain certain management targets is a feasible and effective method. These experiences have played a role in promoting the strengthening of our municipality's rural party building.

How do we strengthen the building of grass-roots party organizations under the new situation of reform and opening up? Tan Shaowen talked about his opinions in four aspects in line with his investigations and study in the grass roots after the Spring Festival:

First, we should further enhance and strengthen our understanding of the importance of strengthening party building. After analyzing the domestic and international situations and the tasks lying ahead, Tan Shaowen pointed out: Our party and country are at a critical moment. To maintain a stable situation and to overcome the economic difficulties facing us, the most fundamental thing to do is to enhance our party's fighting strength and fully display the role of party organizations. Only thus can we do a better job in leading the people to advance. In the course of strengthening party building, we must pay special attention to the building of the party's grass-roots organizations. The reason we stress this point is that the grass-roots party organizations are on the forefront of implementing the party's line, principles, and policies. In the final analysis, all tasks put forward by the party committee have to be implemented through the efforts of the grass roots. Furthermore, the grass-roots party organizations and the masses have direct relations. If we do a good job in building grass-roots organizations, we will be able to make the masses directly sense the role played by party organizations and party members in their practical work and daily life. Our party is formed by grass-roots party organizations and party members. Only when the grass-roots party organizations and party members have vitality can the body of the party be healthy. Here, one thing which we must clarify is that the strengthening of grass-roots party organizations does not apply only to the party committees, general party branches, and party branches of grass-roots units, but also to the party committees and party branches of leading organs at all levels. We should exert great efforts to grasp the grass-roots party organizations of leading organs and set examples through our earnest efforts.

Second, we should temper and inspect party members in the course of production and practical work. Tan Shaowen said: The quality of party members, particularly the quality of party-member leading cadres at all levels, has a bearing on the party's fighting strength and the display of the party's leading role. Their quality also has a direct bearing on the relations between the party and the masses. Therefore, we must consider the raising of quality of party members, particularly the party-member leading cadres, as one of the important tasks in party building, and must grasp it with earnest efforts. To raise the quality of party members, we must systematically and deeply conduct education on the basic theories of Marxism-Leninism-Mao Zedong Thought in the whole party, conduct education on the party's basic line and on the party's basic knowledge and use the Marxist world outlook and methodology to arm the broad masses of party members. At the same time, party organizations at all levels, in light of the central tasks and their daily work

and daily life, should pay attention to tempering party members and improving their quality in the course of practice. We should assign tasks to party members and urge them to fulfill the most arduous tasks. The masses usually judge our party by judging the party members around them. When the masses judge a party member, they do not judge by their words but by their actual visible actions. If a party member can play a leading role, the masses will be convinced and will follow his work even though he talks very little about major principles. This will make the relations between the party and the masses and between the cadres and the masses become closer.

Third, we should grasp well the building of grass-roots party organizations according to different situations. Tan Shaowen pointed out: Generally speaking, the conditions of grass-roots party organizations in our municipality are good and they have fighting strength. But the work of various units has been unevenly developed. We should set forth different demands in light of different situations. Tan Shaowen said: Units which did a fairly good job in party building work should fully affirm their achievements, conscientiously sum up experiences, promptly study the new situation, actively explore new methods, and continue to raise the party building work to a new level. Units which failed to make remarkable achievements should clearly define the purpose and requirements of the system of holding inner party democratic activities and the study and educational systems, grasp the key points, improve methods, raise quality, and strive to achieve actual results. Units which have imperfect inner-party systems and have failed to conduct regular activities for party members should first establish and perfect their systems, persist in carrying out activities for party members, and continue to improve their work. With regard to some grass-roots party organizations which are in a state of feebleness and laxity or even in a state of standstill or half-standstill and which cannot play an effective role, the higher levels should adopt measures to conduct readjustments and to help them improve their outlook.

Tan Shaowen called on party committees at all levels to clearly understand the situations in the grass-roots party organizations under their leadership, analyze and study their situations, and give different guidance according to different cases.

Fourth, we should go deeply to the grass roots to help them do a good job in party building. Tan Shaowen pointed out: Leading organs at all levels and leading cadres at all levels should go deeply to the grass roots and particularly grasp well the following aspects of work. First, we should clearly understand the overall situation, analyze it specifically, and make a correct estimate of the situations in party organizations and the ranks of party members. Through various channels, we should adopt various forms to extensively keep in touch with cadres and the masses, conscientiously listen to their opinions, fully understand and keep abreast of the actual situations and make an analysis to determine the nature of the

situation and the quality of cadres; second, we should affirm the achievements, sum up experience, help them to perfect and improve themselves, and make a comprehensive summary of the experiences created by the grass roots in an effort to find out from them things of a general nature and regularity and use them to guide the work of the whole area; third, we should find out where we are lagging behind, grasp the key problems, and purposefully study measures for solving problems; fourth, we should pay attention to new changes, study the new situation, unceasingly solve new problems in our work and, through study, deepen our understanding, enhance our awareness, implement measures, and enable the building of grass-roots party organizations to be unceasingly strengthened along with the changes of situation.

Wang Xudong, member of the Standing Committee of the municipal party committee and director of the Propaganda Department, also addressed the meeting. Li Jianguo, secretary general of the municipal party committee, attended the meeting. Wang Lijie, municipal government adviser and secretary of the rural work committee of the municipal party committee, presided over the meeting.

Tianjin Municipal CPPCC Changes Leader

HK2404122190 Beijing ZHONGGUO XINWEN SHE
in Chinese 0714 GMT 24 Apr 90

[Dispatch: "Tianjin Municipal Chinese People's Political Consultative Conference (CPPCC) Committee Chairman Changes"—ZHONGGUO XINWEN SHE headline]

[Text] Tianjin, 24 Apr (ZHONGGUO XINWEN SHE)—The Third Session of the Eighth Tianjin Municipal CPPCC Committee that concluded today decided that Tan Shaowen's request for resignation of the posts as chairman, Standing Committee member, and member of the Tianjin Municipal CPPCC Committee was accepted. Liu Jinfeng, deputy secretary of Tianjin Municipal CPC Committee, was elected the chairman of the Eighth Tianjin Municipal CPPCC Committee.

Liu Jinfeng is a native of Lixian County of Hebei Province, of Han nationality, is 63 years old, with a junior middle school cultural standard. He participated in work in March 1940 and joined the CPC the same year. He assumed the post of vice mayor of Tianjin Municipality and concurrently the posts of chairman of the municipal Agricultural Commission and secretary of the Agricultural Commission Party Committee and was also a deputy secretary of Tianjin Municipal CPC Committee.

Tan Shaowen is a native of Xinjin County of Sichuan Province with a university cultural standard. He is now the secretary of Tianjin Municipal CPC Committee and has tendered his resignation because he needs more time for his work in the municipal party committee.

Northeast Region

Jilin's He Zhukang Gives Production Directives

SK2404015690 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 19 Apr 90

[Summary] Comrade He Zhukang 10-18 April carried out an investigation and study of industrial and agricultural production among several cities and counties.

During his investigation and study tours, Comrade He Zhukang also gave directives to the units that he visited, encouraging them to push agriculture forward, stabilizing the policies, and to uphold the household responsibility system with payment linked to output.

He Zhukang stated in his directives that the province's grain production over the past few years had not been stable because of the natural disasters of drought and flooding. Therefore, the principle of trusting in nature is not dependable and we should still depend on our efforts to earn our living. Efforts should be made to fundamentally bring about a change in production conditions and to enhance the capability of combating the natural disasters of drought and flooding. Such an issue should be put on the schedule for important discussion. In improving the production conditions, we should do a good job in grasping the following two tasks. 1) All-out efforts should be made to plant trees; 2) Efforts should be made to vigorously grasp capital construction.

Comrade He Zhukang stated: "The principle of achieving overall development in agriculture has been proved correct through appraisal and should be implemented in an unswerving manner. Our country has a large population and a limited amount of farmland. To have all labor forces in rural areas fully occupied, we should make use of the strong points of agriculture to open enterprises so as to develop the bases of both industrial and agricultural production. This is a direction which deserves to be advocated. Efforts should be made to develop the range and quality of agricultural production and to pay the greatest attention to scientific and technological progress. The province's corn output in the past was not high and peasants were not so interested in planting corn crops. After having bred the fine new seeds of corn by depending on scientific and technological progress and having increased the application of fertilizer, both per unit yield and total output of corn have increased on a large scale. Thus, corn production has been upgraded to a new level. The province's production of beet and oil-bearing seeds has very large potential. The key to tapping the potential lies in upgrading the level of science and technology and particularly in breeding fine seeds."

During his investigation and study tours among the light industrial enterprises of Jilin City, He Zhukang stated that as to the issue of how to improve the economic environment, to rectify economic order, and to deepen the reform drive within three years, leading comrades in

various enterprises should actively ponder over it; earnestly summarize their experience; integrate the current production and future development with the practical targets of improving the environment, rectifying order, and deepening the reform drive; and should unify the partial interest with the whole interest. Consequently, the wait-and-see attitude and the dependent mentality will be out of the question. Current difficulties in industrial production are more than before so we should unite as one, make concerted efforts, heighten our spirit, and bring into play the enthusiasm of various social circles to promote the development of production.

In his directives, He Zhukang also pointed out that "the decision made by the central authorities on enhancing the tie between the party and the masses is most important. The key to following the mass line lies in implementing the decision. We must make all-out efforts to build close ties between the party and the masses and between party cadres and the masses and to enhance the party's attractiveness and cohesion so as to enable our party to be in an invincible position forever."

Also joining in the investigation and study tours were responsible comrades from the provincial level departments concerned and from the party and government organs of the cities of Jilin and Changchun and of Baicheng Prefecture."

Liaoning's Shenyang CPC Elects New Leaders

SK2504041690 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 23 Apr 90

[Text] At the Eighth Shenyang CPC Congress, Zhang Guoguang was elected secretary of the Shenyang City Party Committee; Wu Disheng, Zhang Chenglun, and Dong Wande were elected deputy secretaries of the city party committee; Zhang Rongmao, Li Zhonglu, (Lin Suqing), (Ding Shifa), (Zhao Xincheng), (Liu Shensi), and (Zhou Minglu) were elected Standing Committee members of the city party committee; (Zhou Minglu) was elected secretary of the city discipline inspection commission; and (Wang Yang) and (Zhang Qifeng) were elected deputy secretaries of the city discipline inspection commission.

Liaoning's Shenyang Advisory Commission 'Closed'

SK2404062490 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 22 Apr 90

[Text] According to information obtained by our reporter (Yue Changping) from the Eighth Shenyang City CPC Congress which ended on 22 April, the Advisory Commission of the Shenyang City CPC Committee, which was set up five years ago, declared itself closed after satisfactorily completing its historical mission. From now on, the Shenyang City Party Committee will no longer establish an advisory commission.

As stated in the resolution of the Eighth Shenyang City CPC Congress, since its establishment, the Shenyang

City Advisory Committee, in line with the basic line of the party and on the basis of conducting penetrating investigations and studies, has offered many suggestions for the city party committee, has tried its best to fulfill the various tasks assigned to it by the city party committee, and has given full play to its role as political assistant and adviser to the city party committee. The city advisory commission will go down in history for these historical contributions.

Northwest Region

Qinghai's Yin Kesheng Visits Provincial Deputies

HK2504070590 Xining Qinghai Provincial Service
in Mandarin 2200 GMT 22 Apr 90

[Text] Yesterday evening, leaders of the Qinghai Provincial CPC Committee, the Qinghai Provincial CPC Advisory Committee, the Qinghai Provincial People's Congress, the Qinghai Provincial People's Government, the Qinghai Provincial [Chinese People's Political Consultative Conference] CPPCC Committee, and the Qinghai Provincial Military District went to Xining Hotel to see deputies attending the Third Plenary Session of the Seventh Qinghai Provincial People's Congress and members attending the Third Plenary Session of the Sixth Qinghai Provincial CPPCC Committee.

Yin Kesheng, secretary of the Qinghai Provincial CPC Committee, met with delegations of Hainan Zang Autonomous Prefecture, Haibei Zang Autonomous Prefecture, and Haixi Mongol-Zang-Kazak Autonomous Prefecture. He urged them to work hard to make the current sessions a complete success and work harder to promote the development of all types of work in Qinghai under the leadership of the central authorities.

When meeting with members of the Qinghai Provincial CPPCC Committee, Comrade Yin Kesheng urged them to actively participate in the discussion of state and political affairs, conscientiously discuss the "Work Report of the Qinghai Provincial People's Government," turn the current session into a democratic, united, practical, and confidence-boosting session, and make greater contributions to maintaining overall stability in Qinghai and promoting Qinghai's economic construction and reform.

When meeting with the provincial People's Congress deputies, Tian Chengping, deputy secretary of the Qinghai Provincial CPC Committee; Ma Wanli, chairman of the Qinghai Provincial CPC Advisory Committee; and Jin Jipeng, acting governor of Qinghai Province; urged them to work hard to make the current session a complete success. Governor Jin Jipeng said that the work of Xining City has an important impact on the work of Qinghai Province and urged all the Xining-based deputies and members to work harder to promote the development of all types of work in Xining.

Huanjue Cailang, chairman of the Standing Committee of the Qinghai Provincial People's Congress, and some other provincial leaders were present during the meeting.

Qinghai Party Meeting Stresses Ties With Masses

HK2304151590 Xining Qinghai Provincial Service in Mandarin 2230 GMT 18 Apr 90

[Excerpts] The Fifth Plenary Session of the Seventh CPC Qinghai Provincial Committee ended in Xining on 17 April.

The meeting further studied the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, examined and approved the opinions of the CPC Qinghai Provincial Committee on the implementation of the decision of the CPC Central Committee on strengthening the ties between the party and the people. [passage omitted]

At the closing ceremony, provincial party committee Secretary Yin Kesheng delivered a speech on implementing in depth the sixth plenary session spirit and doing better the present work of the province. In his speech, he pointed out: The mass viewpoint is the basic viewpoint of Marxism and the mass line is the basic working line of our party. Both are the party's fine tradition and political asset. Historical experience has repeatedly proved that the implementation of the party mass line has a direct bearing on the success or failure of the revolution and the rise and fall of our cause. For various reasons, over the past few years we stressed the implementation of the mass line and maintenance of close ties with the masses less than before and failed to maintain due vigilance and wage effective struggle against the breeding and spread of some negative factors which hinder the development of the relations between the party and the people under the new historical conditions. As a result, such corrupt phenomena as bureaucracy, subjectivism, formalism, individualism, and the abuse of power for personal gain grew and developed, thus seriously affecting the relations between the party and the people. Just in view of such a situation, the party Central Committee, standing on a vantage point and having a commanding view and judging the hour and sizing up the situation, solemnly raised before the whole party the issue of strengthening the ties between the party and the masses, which is of vital importance to the overall situation, and adopted the appropriate decision. This is just the crux of the issue, which helps maintain long-term stability in our country and improve the party's work style and also conforms to the historical trend of the times and enjoys the ardent support of the people.

Comrade Yin Kesheng called on in his speech party committees at different levels and all Communist Party members of the province to fully understand the utmost importance and urgency of maintaining closer ties between the party and the people from the new high plane of history and from the higher plane, view world

outlook and party spirit, and increase the awareness and steadfastness of implementing the central major decisions.

Yin Kesheng emphasized in his speech: To implement the central decisions, it is necessary to start with ideological education and lay a solid ideological foundation. The opinions of the provincial party committee on the implementation of the central decisions urged reeducating the whole party with the Marxist mass viewpoint and the party's mass line, and in particular paying adequate attention to study and education among leading cadres at different levels in the spirit of party rectification. The spirit of party rectification is just the spirit of integrating theory with practice, the spirit of criticism and self-criticism, the spirit of holding firmly to the truth and correcting mistakes, and the spirit of correcting mistakes while learning the central decision and rectifying the party's work style. [passage omitted]

Qinghai Congress Holds Standing Committee Meeting

HK2404091790 Xining Qinghai Provincial Service in Mandarin 2230 GMT 20 Apr 90

[Text] The 14th Meeting of the Seventh Qinghai Provincial People's Congress Standing Committee concluded in Xining yesterday afternoon.

The closing session was presided over by Ga Bulong, vice chairman of the Qinghai Provincial People's Congress Standing Committee, and attended by a total of 29 people, including Huanjue Cailang, chairman of the Qinghai Provincial People's Congress Standing Committee; and Lu Shengdao, Xabchung Garbo, Xie Gaofeng, Ma Wending, Yang Wenjin, Han Fucai, and Yang Maojia; vice chairmen of the Qinghai Provincial People's Congress Standing Committee.

The closing session adopted in principle the "Work Report of the Qinghai Provincial People's Congress Standing Committee," which will be submitted to the Third Plenary Session of the Seventh Qinghai Provincial People's Congress for deliberation and approval, accepted the resignation of (Xue Jianmin) as member of the Seventh Qinghai Provincial People's Congress Standing Committee and concurrently member of the Deputy Qualification Examination Committee under the Qinghai Provincial People's Congress Standing Committee, and decided to remove (Xue Jianmin) from office as deputy secretary general of the Qinghai Provincial People's Congress Standing Committee.

The meeting also decided to remove from office (Zhang Jiqi) as director of the Qinghai Provincial Communications Department, (Hao Zhenghua) as director of the Qinghai Provincial Engineering Industry Department, (Fu Jiancheng) as chief of the Qinghai Provincial Pricing Bureau, (Yang Jingfu) as director of the Qinghai Provincial Commerce Department, and (Gechang Duoqi) as chief of the Qinghai Provincial News and Publication Bureau.

The meeting appointed (Cai Jiruo) as director of the Qinghai Provincial Communications Department, (Hao Diyu) as director of the Qinghai Provincial Engineering Industry Department, (Zhang Hanyan) as chief of the Qinghai Provincial News and Publication Bureau, (Song Yashan) as director of the Qinghai Provincial Family Planning Commission, and (Qian Yingjie) as vice president of the Qinghai Provincial Higher People's Court.

The meeting was also attended by Jin Jipeng, acting governor of Qinghai Province, Ma Yougong, president of the Qinghai Provincial Higher People's Court, Hu Yuande, deputy chief procurator of the Qinghai Provincial People's Procuratorate, and a number of other provincial leaders as nonvoting delegates.

Further Reportage on Unrest in Xinjiang

Song Hanliang Blames 'Separatists'

HK2504083290 Hong Kong AFP in English
0815 GMT 25 Apr 90

[Text] Beijing, April 25 (AFP)—The Communist Party head in Xinjiang has blamed a "handful of separatists" for recent unrest which left 22 dead by official count in China's northwestern region bordering the Soviet Union.

Song Hanliang also denounced what he said was the use of mosques for subversive ends in the Moslem majority area where travellers reported the unrest has claimed more 68 lives [as received].

Mr. Song's comments were reported in the April 19 edition of the official XINJIANG DAILY which reached Beijing Wednesday and followed Xinjiang Regional Television reports of a Moslem secessionist campaign.

Xinjiang television said Moslem extremists seeking to establish a "Republic of East Turkistan" were responsible for riots on April 5-6 which left 22 dead—15 civilians, six policemen and a local official—at Baren, a township in Akto country, 75 kilometres (45 miles) south of Kashgar.

Travellers from Urumqi, the capital of Xinjiang, said that at least 68 people had died on the same two days in Artux, north of Kashgar.

Xinjiang Television said Sunday that a hitherto unknown group, the Islamic Party of East Turkistan, had called for a jihad, or holy war, to wipe out Chinese rule in the mainly Moslem region.

The group aimed to "eliminate the heathens," a reference to the non-Moslem Chinese and assure the "triumph of Islam over Marxism-Leninism," it added.

Sixty percent of the 14.3 million population of Xinjiang, three times the size of France, are Moslems, the majority of them Turkic-speaking Uygurs, Kazaks, Tadzhiks and Kirghiz.

Mr. Song, both an Army political commissar and a member of the Communist Party Central Committee, made no reference to the group.

He stressed instead the "political nature" of the struggle against separatists which was "not a problem of nationalism or region."

"What they want is secession from our great country," he said.

To preserve national unity, the party's senior leader in the region said it was necessary to "struggle energetically against the small handful of hostile separatist elements whatever their ethnic affiliation."

He also reaffirmed that "religion would never usurp the leading role of the party" and recommended a strengthening of "control over places of worship to ensure that believers use them for religious services and don't give separatists the chance to make use of them."

Last month, local authorities said they wanted to limit the number of mosques and Koranic schools in the region.

The television report said fundamentalists and "counter-revolutionaries" attempted to force the population to respect Ramadan—Islam's holy month of fasting. It said the group had amassed guns, ammunition and had bought horses for their "separatist conspiracy."

According to sources unrest has flared in several Xinjiang towns, closed to foreigners, and Beijing has drafted troop reinforcements into sensitive areas bordering neighbouring Soviet republics also hit by ethnic restiveness.

Road blocks and regular military patrols were still being imposed earlier this week but no significant developments have been reported for two weeks.

Rebellion Evokes 'Strong Reaction'

HK2504031190 Urumqi Xinjiang Regional Service
in Mandarin 2210 GMT 24 Apr 90

[Text] Since the suppression of the counterrevolutionary rebellion in Baren Township of Akto County, cadres and masses of all nationalities in Baren have actively supported the people's government in investigating and exposing a handful of bad people, indignantly denounced their crimes, and pledged to take action to safeguard social order in Baren and make up the losses caused by the counterrevolutionary rebellion.

The news of the suppression of the counterrevolutionary rebellion in Baren Township of Akto County, which was broadcast by both Xinjiang People's Broadcasting Station and Xinjiang Television Station, evoked a strong reaction among the people of all nationalities in Kashi Prefecture. The people in Kashi Prefecture unanimously agreed that the suppression is correct and timely and has

greatly boosted the morale of the people of all nationalities in Xinjiang and dealt a telling blow at a handful of splittists.

Armed Police Praised

OW2404180890 Urumqi Xinjiang Television Network in Mandarin 1300 GMT 24 Apr 90

[From the "Xinjiang News" program; announcer read report over video]

[Text] [Video shows shots of Tomur Dawamat and other Xinjiang leaders visiting location where an overturned car is seen lying on the ground] According to a report by the Kizilsu TV station reporter, Tomur Dawamat, deputy secretary of the regional party committee and chairman of the regional government; Li Shousan, deputy secretary of the regional party committee; and Jin Yunhui, vice chairman of the regional government, led by responsible persons of the regional departments concerned came to Baren Township, Akto County, on the morning of 7 April, the day following the successful quelling of the counterrevolutionary armed rebellion in that township. They extended cordial regards to the cadres and masses of all nationalities, commanders and fighters of the armed police force, and public security police who had participated in putting down the rebellion.

[Video shows the leaders shaking hands with local people and police, then cuts to shots of Tomur Dawamat speaking to a group of police] Tomur Dawamat highly praised the commanders and fighters of the armed police force and public security police for their loyalty to the party and the people of all nationalities as well as the high degree of political awareness they had demonstrated in safeguarding the motherland's unification and national unity. He said that success in quelling the counterrevolutionary armed rebellion in Baren Township was a victory of unity of the Army and people and for unity of people from all nationalities. It is necessary, he said, to mobilize the masses to thoroughly expose and criticize the crimes of the rioters. He added: The counterrevolutionary armed rebellion was long-premeditated. Under the cloak of religion, they [the rioters] directed the spearhead at the party and the people and instigated hostility between different nationalities in a vain attempt to split the motherland, undermine national unity, and establish a so-called Republic of East Turkistan. Their scheme can never succeed, however. The prompt quelling of the rebellion is a proof of this. We should further strengthen unity between the Army and people and unity of people all nationalities, make a success of our work in all fields, and contribute to the stability and prosperity of our autonomous region. [Video shows Tomur Dawamat and others clapping hands; as the camera moves, some policemen wearing helmets and holding shields are seen standing nearby].

Public Figures Denounce Rebellion

OW2404202390 Urumqi Xinjiang Television Network in Mandarin 1300 GMT 24 Apr 90

[Announcer-read report; from the "Xinjiang News" program]

[Text] After the news about the quelling of the counterrevolutionary armed rebellion in Baren Township, Akto County, was broadcast by the Xinjiang People's Broadcasting Station and the Xinjiang Television Station, it evoked a strong repercussion from the masses of all nationalities and all walks of life in Kashi. They said unanimously that the quelling of the rebellion was correct and timely, and that it boosted the morale of the people of all nationalities and deflated the arrogance of the separatists.

Aronghanaji, vice chairman of the regional committee of the Chinese People's Political Consultative Conference [CPPCC] and abbot of the (Aidiga) Mosque in Kashi, said: Those trying to split the unification of the motherland are not true religion believers. They are swindlers engaged in conspiracy in the name of religion. The counterrevolutionary ruffians in Baren Township, Akto County, claimed that they would use the Islamic doctrine to override Marxism-Leninism. This is wanton and ignorant. We Moslems have the firm belief that without the Communist Party, there would be no New China, and that without the great unity of the people of all nationalities and political stability, the freedom and happiness of the masses of religious believers would be out of the question. We Moslems should take concrete action to safeguard the great unity of people of all nationalities and the unification of the motherland.

(Yimaiaji), member of the All-China Youth Federation and abbot of the [words indistinct] Mosque, said: Separatism is unpopular. We believe in our religion. However, first of all, we should love our country. In no way should we allow separatists to do evil things to harm our country under the cloak of religion.

(Tuofutimala), member of the CPPCC National Committee, member of the All-China Federation of Industry and Commerce, and president of the Kashi Federation of Industry and Commerce, said: Young people should study history and keep on enriching their knowledge. They should not follow the bad elements to create disturbances. Ours is a unified multinational country; that is, the people of all nationalities form a big family of the Chinese nation based on equality, unity, and mutual assistance, and they are working together to build a prosperous socialist motherland. Taking a clear-cut stand against separatism and firmly safeguarding the motherland's unification and national unity is the common task of the people of all nationalities. History has proved that those splitting the motherland will come to no good end.

(Silajiding Karuojiachong), a religious public figure of (Shi) Village, (Tashilailike) Township, Shufu County,

said: The ruffians of Baren Township forced us to make donations and asked every household to contribute grain and money. In contrast, the people's government always shows concern about us and makes us feel warm. We should follow the government forever and safeguard the unification of the motherland at the cost of our lives.

It is the consensus of opinion of many religious public figures and the masses that the party will not change its religious policy, and all religious activities should be conducted within the framework of the law and policy. In no way should separatists be allowed to use religion as a pretext to carry out their conspiracy of undermining national unity and splitting the unification of the motherland.

CPPCC Forum Denounces Rioters

OW2404182190 Urumqi Xinjiang Television Network
in Mandarin 1300 GMT 24 Apr 90

[By station reporter (Deng Haiyan); from the "Xinjiang News" program]

[Text] [Video shows people seated at long tables] The regional committee of the Chinese People's Political Consultative Conference [CPPCC] held another forum this morning on the counterrevolutionary armed rebellion in Baren Township, Akto County. At the forum, public figures from various democratic parties and religious circles strongly denounced the crimes of the counterrevolutionary ruffians.

[Video cuts to a closeup of Ba Dai reading from a prepared speech] Ba Dai, chairman of the regional CPPCC Committee, addressed the forum. He said: The regional party committee has pointed out that separatism is a main factor endangering the general stability of Xinjiang. Judging from the reality, this analysis is absolutely correct. A review of history also reveals that separatism has thrown the people of all nationalities in Xinjiang into the sufferings of turmoil and war. Hence, the small number of separatists with ulterior motives are the common enemies of the people of all nationalities in Xinjiang.

Chairman Ba Dai continued: We should not harbor the slightest idea of relaxation against separatism. Safeguarding the motherland's unification and national unity is a sacred duty of CPPCC members. [Video gives a panshot of the forum] The struggle between separatism and counterseparatism has been going on for a long time in Xinjiang. In this struggle, we must take a firm and clear-cut stand.

[Video then cuts to a closeup of Fu Wen speaking] Vice Chairman Fu Wen also made a speech. He said: Anybody with a little knowledge of history knows that Xinjiang has always been a territory of the motherland. As early as the Western Han Dynasty, the central government established an organ here to implement government orders. Establishment of a Republic of East Turkistan proposed by those engaged in separatist activities is

only a pretext used by them to restore the savage rule over the people of all nationalities in Xinjiang. The (Agebo) regime is an example of this. The recent rebellion in Baren Township where the ruffians forced people to donate grain and money was an even more obvious case in point.

Comrade Fu Wen said: The ruffians differentiated friends and foes on the basis of religion, and claimed that they would wage a so-called holy war to eliminate the pagan. This was extremely deceptive and reactionary in nature. We should not take this lightly. [Video gives a panshot, showing several individuals speaking] Speeches were also given by (Ma Zhenfang), (Rousirouti), and other members of the regional CPPCC Committee. They vowed that as CPPCC Committee members and citizens of the People's Republic of China, they would contribute to the motherland's unification and national unity. The forum was presided over by Meihemaiti Simayi, vice chairman of the regional CPPCC Committee.

Turkish Press on Developments

NC2404101090 Istanbul MILLIYET in Turkish
21 Apr 90 p 9

[Sami Kohen column: "The PRC Blames Religious Fundamentalists"]

[Text] The first official statement about the bloody incidents in PRC's Xinjiang Autonomous Region, which we refer to as Eastern Turkistan, was made to MILLIYET by two high-ranking PRC officials.

While the official party and government organs in Beijing remained silent on the incidents, Ismail Amat, minister in charge of the State Nationalities Affairs Commission, received us before we left the PRC capital. Confirming the incidents, Amat explained the government's views on the developments. Meanwhile, Seypidin Azyizi, vice chairman of the PRC National People's Congress, with whom we traveled from Beijing to Istanbul the day before yesterday, also gave detailed information about the incidents.

The two officials, who are of Uyghur origin, described the PRC's official stand on this sensitive problem to a Turkish journalist for the first time. They described the recent foreign press reports as exaggerated and said that the incidents were placed under control and that the situation is now calm.

According to Seypidin, 75, who is in Turkey to attend the 70th anniversary celebrations of the Turkish Grand National Assembly and who holds one of the highest state positions of an official of Uyghur origin in the PRC, the incidents were caused by a demonstration held by certain "fanatic elements" in Akto town, which is 50 km to the south of Kashi near the Soviet border. The demonstrators attacked the local police and fired on them. According to Seypidin, five policemen and two

civilians were killed in this incident. In view of this, the "people's militia," or military units, were sent to Akto "to restore public order."

However, well-informed sources in Beijing said earlier that at least 50 people, mostly Uygur civilians, were killed in the incidents. Seypidin said that the incidents were caused by the demonstrations organized by fanatic groups in support of their demand for the "opening of new religious schools." According to Seypidin, the "region has a satisfactory number of religious schools to meet the people's needs." Seypidin asserted that the PRC Government regards those who wish to bring such a school system to the region as criminals who are opposed to the Constitution and the laws and that it will never tolerate this state of affairs.

On the measures taken and arrests made after the incidents, Seypidin said: "The realities are being explained to those who have made a mistake. That is, they are being instructed."

Noting that the incidents were more of a "religious nature," Seypidin asserted that their "ethnic dimension" cannot be ruled out either.

Foreign journalists and diplomats in Beijing have said that for some time now indications have been that nationalist trends are spreading among the Uygurs in the Xinjiang region and that a number of the Uygurs wish to separate from the PRC administration. Furthermore, the same people said that it is impossible for the people in the Xinjiang region in the PRC's "far West," particularly for those in Kashi, not to be affected by the recent agitations in the neighboring Soviet Union, in which the Kazakh, Kirghiz, Uzbek, and Uygur peoples live, who are close to the PRC Uygurs in religion, language, culture, traditions, and ethnic identity.

Recalling that similar incidents have frequently occurred in the region in the past, we asked Seypidin "whether or not similar developments might happen again soon." He said: "This is difficult to predict. An incident may occur and pass. However, another may take place later on as well. The government is not afraid of such developments. Serious work is being carried out to obstruct such incidents."

Meanwhile, during a lengthy meeting in Beijing, Ismail refrained from elaborating on the bloody incidents. However, he said that "the matter has been resolved. There is no need for propaganda in this regard." Ismail added that he had to protect the "PRC's national unity."

Ismail's reply to our question on the nature of the problem was different from the opinion Seypidin expressed. Ismail agreed that other factors, such as ethnic and nationalist trends, had to be considered in addition to religious reasons. Ismail, 45, asserted: "Certain elements are using religion as an instrument to create regional discord. Meanwhile, a number of foreigners are engaged in provocative activities."

Regardless of our persistent questions, the minister refrained from disclosing who the foreigners were. However, he said that "a number of people wished to remove the regime and the system in the country." Ismail claimed that the situation is now calm, and foreigners are allowed to visit the region.

Due to the tense situation in Xinjiang, foreign journalists in particular were not allowed to visit the region before and after the incidents occurred. Members of a Swedish television group who wished to visit the historic city of Kashi in connection with the shooting of a film on the "Silk Road," were forced to return to Beijing after waiting for many days on the road to reach their destination.

A British tourist who boarded our aircraft in Urumqi said that the situation in the city was normal but that it was still impossible to travel to Kashi.

Our talks with the two PRC officials of Uygur origin and with other individuals indicate that the incidents have caused the PRC Government serious concern. Meanwhile, the officials prefer to remain silent in order not to say something wrong. The two officials who made statements to MILLIYET tried to describe the incidents as completely local and unimportant. However, as also pointed out by Seypidin, similar incidents may take place again, regardless of the strong measures that have been put into effect. This "possibility" has made Beijing feel very uneasy.

Xinjiang Chairman Addresses 12th Plenary Session

*OW2104000790 Xinjiang Television Network
in Mandarin 1300 GMT 19 Apr 90*

[From the "Xinjiang News" program]

[Text] [Video opens with a medium shot of a meeting hall packed with more than 100 officials seated in rows of chairs. Then camera cuts to show a closeup shot of Chairman Tomur Dawamat addressing the meeting by reading prepared memos in his hands. He is heard speaking in Uygur, which is often overshadowed by the announcer's voice] On the afternoon of 18 April, the seventh autonomous regional people's government held its 12th plenary session. Tomur Dawamat, chairman of the autonomous region, reported at the session on the political and economic situation in the autonomous region in the first quarter and announced the work plan for the second quarter.

Tomur Dawamat said: Since the beginning of this year the political and economic situation in our region has generally been good. Thanks to the great efforts made by leaders at all levels, we have made early preparations for agricultural production and animal husbandry and grasped work promptly and firmly. As a result, we have smoothly promoted production in all fields. Cadres have grasped the work at grass-roots levels in remote rural areas to strengthen leadership over agriculture and

animal husbandry. Departments of science and technology at all levels have dispatched in time a great number of personnel to support agriculture, thus reliably guaranteeing that we will enjoy our 13th good year.

In announcing the work plan for the days ahead, Tomur Dawamat pointed out: First, we must strengthen party leadership and devote efforts to promoting stability. Stability is of prime importance. Party committees, governments, and leading departments at all levels must keep firmly in mind that they must grasp stability on a long-term basis. Second, strengthening national unity is the key to stabilizing the overall situation. Last year Comrade Wang Enmao put forward 10 requirements which must be met in order to achieve the motherland's unification and maintain national unity. Governments and departments at all levels must conscientiously study and implement them one by one. Cadres at all levels must make unremitting efforts to conduct education in the Marxist concept of nationalities, the policy toward nationalities, and national unity among people of all nationalities, particularly among young people. All cadres must take the lead in setting examples in national unity and, in facing cardinal issues of right and wrong, including maintaining the unity of the motherland and the common interests of the people of all nationalities, have a clear-cut and firm stand and resolutely deal a telling blow at and expose all splittist and sabotage activities. It is necessary to further strengthen unity between the Army and the government, the Army and the masses, local departments and Army units, and the central authorities and enterprises. This is extremely important for stabilizing the overall situation. Third, we must conscientiously implement the autonomous regional people's government's regulations on strengthening management of religious sites, implement the policy on religion, allow personages of religious circles and the religious masses to engage in normal religious activities, and give splittists no opportunity to act. It is necessary to resolutely prohibit religious forces outside Xinjiang from meddling in religious problems in the region and resolutely oppose political schemes which take advantage of religion to create disturbances and advocate splittism. Fourth, we must thoroughly solve the question of hot spots in society. The most outstanding problem today is unemployment among youth in cities and towns and a small number of enterprises stopping production. It is necessary to proceed from stabilizing the overall situation and actively implement the employment policy of the three-in-one combination of state enterprises, collectively owned plants, and self-employed workers, to actively open up the production sector, and to strive hard to develop the urban collective economy, rural enterprises, and individual economy. It is necessary to increase employment and educate unemployed youth to help the country get over difficulties, and take up difficult posts to temper themselves and mature. It is necessary to appropriately solve the question of workers' livelihood during periods of work stoppages and organize them to engage in labor services and public welfare. It is absolutely not permitted to let them do whatever

they think is right. Enterprise leading cadres at all levels must take the lead in living frugally and share the comforts and hardships of the masses to tide over difficulties together.

Touching on building an honest government, Tomur Dawamat stressed: People's governments of the autonomous region at all levels and all work departments must strive to improve work style, eliminate bureaucratism, go down to grass-roots units, and solve practical questions for grass-roots units and people of all nationalities.

Xinjiang District Trains More Minority Officers

OW2104213790 Beijing XINHUA Domestic Service
in Chinese 0729 GMT 18 April 90

[By reporter Chen Yan (7115 8746) and correspondent Yang Gongcheng (2799 0501 2052)]

[Excerpts] Urumqi, 18 Apr (XINHUA)—The Xinjiang Military District attached great importance to training and assigning minority officers and men to various positions. A large number of minority young people from the grassland and pastoral areas who joined the Army have become qualified soldiers with fine ideals, high moral and cultural standards, and a superior sense of discipline. They have played a major role in safeguarding unity among all nationalities and promoting army building. [passage omitted]

Major General Wulatayev, a deputy political commissar of Uygur nationality of the Xinjiang Military District told our reporter that in promoting political, military, and economic democracy, the minority officers and men have fully exercised their own rights, and have played their role well in safeguarding unity among People's Liberation Army [PLA] units and people of all nationalities and in stabilizing the situation in the border region.

While doing a good job in training and assigning minority officers and men to various positions, the various PLA units under the Xinjiang Military District have also tried their best to improve the material and cultural life of the minority officers and men, and help them in creating fine working and living conditions. Various PLA units have also built libraries, reading rooms, and cultural centers for PLA companies with many minority officers and men. They have considered the habits of the minority officers and men, and have opened up Muslim's canteens and prepared food for Muslims. Some of the PLA units have even solved problems in helping PLA companies with many minority soldiers find pastureland and cattle and sheep feeds. A certain division has also taken the initiative to contact the local government to help find jobs for minority military dependents and child care centers and schools for their children. All the children from the military families of minority nationalities have attended child care centers and various schools.

Feeling the warmth of the socialist system and the military community, the minority officers and men have

cherished the motherland even more, strengthened their confidence in socialism, and carried out their work even better. According to statistics, a large number of minority officers and men have been commended each year over the past three years. A total of 25 minority officers and men have been named pacesetters of various sorts by the PLA general headquarters, the Central Committee of the Communist Youth League, and the Lanzhou Military Region. Several thousand minority officers and men who had retired to work in various localities have helped to promote the local economy and social stability and to safeguard unity among people of all nationalities.

Xinjiang Autonomy Law Benefits Minorities

OW2404194090 Beijing XINHUA in English
0545 GMT 24 Apr 90

["Roundup: Regional Autonomy Law Benefits Minorities"—XINHUA headline]

[Text] Urumqi, April 24 (XINHUA)—The Law on Regional Autonomy for China's Minority Nationalities adopted in 1984 has helped strengthen the unity of the peoples of the Xinjiang Uygur Autonomous Region and boost the local economy and culture.

Located in northwest China, the region covers 1.6 million sq km and has 13 ethnic groups with a combined population of more than 13 million.

According to the Xinjiang Regional Overseas Chinese Affairs Bureau under the regional People's Congress and the Regional Affairs Commission, Xinjiang has attached great importance to training ethnic minority people since the founding of the autonomous region in 1955, especially since the coming into existence of the law.

A statistical report shows that the region now has 225,000 cadres belonging to ethnic minorities, accounting for 46.36 percent of the region's total.

Heads of administrations at all levels, chairmen of the standing committees of the regional People's Congress and commissioners of the eight administrative offices and mayors from 14 cities are all ethnic minority people.

Ethnic minority people serving as members of the Standing Committee of the regional People's Congress account for 65.31 percent, and 64.7 percent of the regional government staff are also ethnic minority people.

By the end of last year, the region had trained 148,000 minority specialists and technicians, accounting for 45.43 percent of the region's total.

According to a regional official, ethnic minority people are playing an important role in the political, economic, scientific, cultural, educational, medical and sports fields.

To raise the living standards of the local people, Xinjiang has worked out a series of special policies and measures in line with the Law on Regional Autonomy for China's Minority Nationalities to speed up its regional economic development.

In addition to issuing preferential policies to attract foreign investment, Xinjiang has opened Sino-Pakistan, Sino-Soviet and Sino-Mongolian trading outlets.

It has increased subsidies to aid poor areas and given priority to the production of goods badly needed by ethnic minority people.

As a result of the government's efforts, the region's gross industrial and agricultural output value last year was up 20.357 billion yuan (about 4.33 billion U.S. dollars) over 1984; the regional revenue up 910 million yuan and the export volume totalled 339 million U.S. dollars.

According to statistics, the average income of farmers in the region was 545.6 yuan last year, up 173 yuan over 1984. Altogether, 272,300 households, or 77 percent of the total number of poor families in the region, have raised their standard of living in the past few years.

In China, people below the poverty line have an annual income of less than 200 yuan (about 42.6 U.S. dollars) per person and less than 200 kg of rationed grain per person.

According to the official, the state allocated a combined 10.9 billion yuan (about 2.32 billion U.S. dollars) in subsidies to the region between 1984 and 1989.

To boost the education of ethnic minority people is part of the implementation of the Law on Regional Autonomy for China's minority nationalities.

The official said that there are more grant-aided ethnic minority students than Han students. The region also issues special policies in favor of the ethnic minority people in entering colleges and universities.

By the end of 1988 the proportion of students in school throughout the region had increased by 10.61 percent over 1983.

According to the law, ethnic minority groups are free to use and develop their own languages.

It is learned that Xinjiang's Uygur, Han, Kazak, Mongolian, Kirgiz, Xibe, and Russian ethnic groups all have their own schools and use their own languages. The region has newspapers, radio broadcasting, television, and books in the Uygur and Kazak languages.

In 1988, the regional government issued a temporary provision on the use of ethnic languages in the Xinjiang Uygur Autonomous Region to standardize the written languages. It also issued a temporary provision on the administration of places for religious activities to normalize religious activities and ensure freedom of religion.

According to the official, the implementation of the Law on Regional Autonomy for China's Minority Nationalities has also helped to strengthen the unity of all ethnic groups in Xinjiang.

The regional government has always given first priority to national unity and designated May as the month of unity among all ethnic groups. During this time, outstanding units and localities are commended for their achievements in this respect.

By the end of last year the region had cited 206 such units, 9,000 collectives and 37,000 individuals.

With the development of national unity, more and more people in the region have come to value the close ties between the Han and other ethnic minority groups. Now different ethnic groups respect, trust, support, and learn from each other, thus laying a solid foundation for the development of the regional economy.

President Li Speaks to Foreign Scholars

OW2404043290 Taipei CNA in English 0248 GMT
24 Apr 90

[Text] Taipei, April 24 (CNA)—President Li Teng-hui told a group of foreign scholars Monday that all of the world's countries should cooperate to create a better tomorrow for the human race.

"No one can stand alone and enjoy a good life," the President told more than 30 scholars from 13 countries here to attend a seminar on "America's influence and role in Asia in the 1990's."

Recalling the Republic of China's [ROC] struggles, President Li noted how the ROC once had had to depend on the United States for aid but now has grown so prosperous that its foreign reserves topped those of all other countries.

"Now the ROC would like to offer its hand to other countries in need of assistance in their economic development," Li said.

Replying to questions from his guests, Li said almost all Asian countries had been influenced by the U.S. in their economic, political, and cultural development.

"Had the U.S. not opened its huge market, Asian countries would surely have had great difficulties surviving economically," he said.

He reminisced that in 1948, when he had just graduated from college, the ROC's survival had depended on an annual American grant of the 300 million U.S. dollars.

Comparing then and now it was clear, he commented, that the U.S. had greatly influenced the ROC and that U.S. assistance to the ROC had been critical.

Since no country could stand alone, the economically strong ROC would now like to show its gratitude by contributing back to the international community, President Li said.

When asked how he envisioned the prospects for the ROC in the year 2000, the President replied, "It seems quite distant, since my term of office is actually only six years."

Though his remarks drew a burst of laughter, he went on to stress that during his tenure he would concentrate on promoting political democratization, constitutional and parliamentary reform, administrative efficiency, financial internationalization, and improved social welfare.

He noted that he hoped the ROC's annual per capita income would reach 17,000 U.S. dollars by 2000.

During the 60-minute talk at the Presidential Office, the scholar-turned President was also asked how he looked at scholars who changed careers to become politicians.

"Many people say it is not suitable for scholars to engage in politics because too many complications could arise," President Li said.

"But my view is that most scholars are idealistic; if they can persist in their idealism, they will eventually achieve their goals in spite of some short-range difficulties."

The scholars, from such countries as the U.S., Japan, Korea, Malaysia, and the Philippines, were led by Thomas B. Lee, president of the Asian Federation of American Studies Associations, sponsor of the biennial seminar.

Addresses New KMT Workers

OW2304015690 Taipei CNA in English 1530 GMT
22 Apr 90

[Text] Taipei, April 22 (CNA)—President Li Teng-hui, in his capacity as chairman of the Kuomintang [KMT], told the ruling party's new city and county committee chairmen Sunday that they should keep a low profile and go deeper into the masses to find out the people's needs and wishes.

In an exchange of opinions with the new chairmen of 21 Kuomintang city and county committees, Li encouraged them to replace shouting slogans with silent and solid work and to direct all forces at party reform.

He said that although seven of the 21 newly elected mayors and county magistrates in Taiwan Province were not Kuomintang members, the ruling party should support them as long as they act in the interests of the general public.

In case the non-Kuomintang mayors or county magistrates act unreasonably or selfishly, local Kuomintang cadres should approach them sincerely and try their best to turn from confrontation to cooperation, Li said.

The Kuomintang chairman also urged the 21 local chairmen to strengthen their contacts with party members at grassroots levels and to enlist more promising young people and social leaders into the party.

The new chairmen of 21 Kuomintang city and county committees began their two-day meeting at the Armed Forces Officers Club here Saturday morning, with James Soong, secretary-general of the Kuomintang Central Committee, presiding.

Commentary Views Pentagon Report on Status

OW2304015990 Taipei CNA in English 1427 GMT
22 Apr 90

[Broadcasting Corporation of China commentary: "Pentagon Report on Taiwan Status Riles Taipei"; CNA says this commentary "does not reflect the opinion of CNA"]

[Text] After all these years, there is still some misunderstanding in the halls of the U.S. Government with regard to U.S. China policy. That much was made clear again by

a new report put out by the Pentagon on Friday. The report lists Taiwan, the Spratlys and other Chinese offshore islands as "unresolved territories" which remain potential causes of regional conflict in East Asia.

The report is a routine examination of the military situation in East Asia. It was given to the U.S. Senate by Undersecretary for Policy Paul Wolfowitz.

The Ministry of Foreign Affairs in Taipei was quick to sternly protest the report's assertion that Taiwan's status, as well as that of the other Chinese islands, is still unresolved. Among other things, the officials noted, the Pentagon report contradicts Washington's own policy on the issue, which states that there is one historic, geographic China and Taiwan is part of it. That fundamental of U.S. China policy was enshrined in the 1972 Shanghai Communique, which paved the way for Washington's eventual recognition of the Chinese Communist regime in Peking. It so happens, however, that both sides of the Taiwan Strait, that is the Republic of China [ROC] on Taiwan, and the Chinese Communist regime occupying Mainland China, both agree on the same one-China principle. They disagree on who should be the legitimate government of all China, thus China remains a divided country.

Taipei was critical of the Pentagon report because it could lend fuel to Taiwan independence activists who see Taiwan's status as unresolved and open to the independence route. Some scholars have claimed that the San Francisco Treaty of 1952, which officially ended the Sino-Japanese war in U.S. eyes, left Taiwan's status open. The treaty does not specifically state to whom Taiwan would be returned by Japan.

That document, however, is useless in the face of current realities and other agreements that were signed at that time and since. With both Taipei and Peking claiming that Taiwan is part of China, who is going to refute it and get away with it anyway?

The difference here is how one interprets Taiwan's independence. To all but a handful of Chinese on Taiwan, and in Chinese overseas communities, this terminology refers to Taiwan's continued independence or separation from Communist China. That is different in meaning than implying Taiwan's permanent separation or division from historic China.

Taipei's policy is now quite clear-cut on this issue of temporary division. The ROC Government has lately pursued a more flexible and aggressive foreign policy which allows for temporary recognition of both Taipei and Peking. But the government reiterates as often as needed the unchanged policy that this is a temporary phenomenon in Chinese national affairs.

It was probably a misunderstanding on someone's part in the U.S. Pentagon that led to the disputed sections of the report. The intricacies of Chinese politics are not always easy to sort out. What the Pentagon probably meant to say is that a breakdown of the temporary status quo in

the Taiwan Strait could be a cause of instability in the region. That is certainly true, should Peking opt to use force to unify Taiwan with the mainland. If stated in these terms, the Pentagon position is certainly worth reporting about.

Commentary Examines Support for Overseas Chinese

OW2504014090 Taipei CNA in English 1450 GMT
24 Apr 90

[Broadcasting Corporation of China commentary: "More Support for Overseas Chinese"—CNA says this commentary "does not reflect the opinion of CNA"]

[Text] Taipei, April 24 (CNA)—It is being billed as the world's largest meeting of Overseas Chinese round the world. And, with five hundred representatives from seventy-nine countries, it may well be.

The event is the four-day world conference on Overseas Chinese affairs, hosted by the Republic of China [ROC] on Taiwan. It is meeting in Taipei this week.

The conference underscores the important role Overseas Chinese have played in the Republic of China's development on Taiwan. Over the years, Taipei has been able to count on the undying support of literally millions of Overseas Chinese, living in communities from San Francisco to Sydney, Paris to Tokyo.

Much of the support has been moral, with Overseas Chinese generally favoring Taipei over the Chinese communist rival in Peking. But there has also been much concrete support, as Overseas Chinese have always accounted for a large portion of the foreign investment in Taiwan. That investment helped build Taiwan's economy into a mini economic power.

The opening ceremony of the conference was attended by ROC President Li Teng-hui, who gave the keynote address. Li promised the Overseas Chinese visitors that the Government of the Republic of China on Taiwan would increase its support and services to Overseas Chinese communities. He said the bulk of this support would be for strengthening of cultural ties with the communities in which they live.

President Li used the occasion to express his appreciation for the Overseas Chinese efforts to build upon Taipei's people-to-people diplomacy. Because it does not have diplomatic relations with most countries, Taipei has relied on Overseas Chinese and on foreign friends to maintain its network of substantive cross-cultural, academic, and commercial relations with other nations. Overseas Chinese have played a major, vitally important middleman role in this effort.

Across the world, there seems to be little doubt nowadays that Taiwan is the favored part of a divided China among Overseas Chinese. Many Overseas Chinese have ventured back to their Chinese homeland to find families wasted away by communism. Conversely, visits to

Taiwan uplift them, reassuring them that the flame of Chinese tradition and the drive for excellence are not lost.

In the wake of the Tienanmen massacre last June fourth, in which Peking began its bloody crackdown on the pro-democracy movement in Mainland China, many Overseas Chinese communities have turned against Peking for good. Tienanmen was the last straw for the millions who had gradually lost any faith they might have had in China's future under communist rule. Now, they look ever more to Taipei for leadership in setting a correct course for China's development, and they continue to lend their support to Taipei, both in moral and concrete ways.

While it is true that many third and fourth generation Overseas Chinese tend to distance themselves from their Chinese heritage, it is also true that deep down most want China to rise up to become a prosperous, free, and democratic nation, proud of her unparalleled cultural heritage. With Overseas Chinese and Chinese in the Republic of China on Taiwan and Hong Kong joining hands, that future may not be far off.

Entrepreneur Admits Meeting Deng Xiaoping

*OW2204075490 Taipei CHINA POST in English
15 Apr 90 p 8*

[Text] Plastic tycoon Y.C. Wang yesterday admitted for the first time that he met Communist Chinese paramount leader Teng Hsiao-ping during his recent mainland trip, said the Chinese-language UNITED EVENING NEWS.

Reports about Wang's meeting with Teng have been spreading since his January business trip to Mainland China in violation of a then-effective government ban.

During an interview at his U.S. home, Wang said Teng stressed his determination to improve the mainland economy during the meeting, the NEWS reported.

The newspaper said "Teng is the most shrewd and capable of the mainland leaders" that Wang met. Though in his 80's, Teng stays fairly healthy and can speak loudly and clearly, but his hearing is no longer too good, Wang said.

Group To Arbitrate Civil Disputes With Mainland

*OW2404043590 Taipei CNA in English 0244 GMT
24 Apr 90*

[Text] Taipei, April 24 (CNA)—An arbitration organization now being planned to deal with civilian disagreements between people on both sides of the Taiwan Straits would be a nonprofit body funded by private donations, a ranking official said Monday.

Vice Chairman Kao Kung-lien of the Cabinet Research, Development, and Evaluation Commission said the institute would be charged with issuing and certifying

official letters, assisting judicial cases and approving the issuing of travel documents.

At a seminar on the proposed Cabinet Mainland Affairs Commission, Kao said the arbitration institute would thus have a multifunction purpose.

Legislator Chang Ping-chao, who helped form a trade arbitration organization, recommended that in addition to the government-envisioned body, other affairs could be entrusted to various civilian groups.

Chang also suggested that Peking would not agree to a proposed "American Institute in Taiwan" model for such an arbitration organization because, if it did, it would mean its recognition of Taipei as "another government."

Commentary on Mainland Fears Over Dissident Boat

*OW2204132790 Taipei CNA in English 1509 GMT
21 Apr 90*

[Broadcasting Corporation of China commentary: "Peking Frets and Threatens Over Goddess of Democracy Boat"—CNA says this commentary "does not reflect the opinion of CNA"]

[Text] Taipei, April 21 (CNA)—In what is shaping up to be another Communist China against the rest of the world showdown, the Chinese Communist regime in Peking is having tantrums over a boat headed in its direction.

The Love Boat it isn't. Rather, the object of Peking's scorn and rages of paranoia is the Goddess of Democracy, the boat dissident Mainland Chinese intend to use as a broadcasting station to send programs into Mainland China from international waters off China's coast. The former scientific trawler-turned-floating-radio- and TV- studio is steaming in international waters toward Singapore and Taiwan for scheduled stops, before anchoring in the South China Sea. The boat hopes to begin broadcasting news and prodemocracy status reports to the Chinese Mainland by June.

That is, if Peking does not get totally foolish and blow the boat out of the water. Ominous noises from Peking are beginning to make people wonder.

On Thursday and Friday, Peking repeated its demand that foreign nations not allow the Goddess of Democracy to dock or receive support from their harbors. Chinese Communist spokesmen have also said Peking will not tolerate the dissident ship or its broadcasts. When asked what it would do, the spokesmen refused to reveal any plans. Some foreign diplomats in Peking have expressed the opinion that Peking may indeed be serious about either boarding or destroying the boat, once it is close enough to Chinese waters.

To do so would cause an international uproar unprecedented since last June's massacre of civilian protestors in Tienanmen Square. Since the bloody crackdown on the

prodemocracy began on June fourth last spring. Peking has come under increasing international pressure to loosen its grip. Yet Chinese Communist rulers remain insolent, and instead have hardened their grip on power with a return to Maoist era ideological struggle, brainwashing and censorship, not to mention widespread arrests of anticommunist sympathizers.

The Goddess of Democracy is counting heavily on international support for its mission to bring the message of democracy and freedom to Mainland China. The boat is operated by Frenchmen associated with ACTUAL magazine in Paris which has cooperated with the Paris-based Federation for Democracy in China. The federation is a worldwide union of Mainland Chinese dissidents who refuse to return home during the crackdown period. Peking condemns the group nearly everyday and warns foreign governments not to support or otherwise hobnob with it.

A showdown over the boat is likely unavoidable. Peking apparently had success in holding it up for ten days in Djibouti by putting diplomatic pressure on Yemen officials. But it is not likely to be able to have the same sway with Singapore or Taiwan, where the boat will next visit.

Yet international eyes will be on the Goddess as she makes her way through island chains claimed by Peking in the South China Sea. Technically, Peking's claims to these areas could give it the license it needs to stop the Goddess. The boat's sponsors have appealed to the UN for protection.

If force is used to halt the boat's mission, Peking will have to be prepared to pay a heavy price of isolation in the international community. The Goddess has already received too much attention; whatever Peking does, it will, like Tiananmen, happen under the glare of international TV cameras and the media spotlight.

Stay tuned for the continued drama, as the forces of good, democracy, truth and freedom race toward an explosive collision course with Communist China. The South China Sea is not big enough for both the Goddess of Democracy and those who would destroy her.

Berlin Conference Participant Sees Mainland Fall

OW2104143890 Taipei CNA in English 1041 GMT
21 Apr 90

[Text] Bonn, April 21 (CNA)—Mah Soo-lay, chairman of the China Reunification Alliance, Saturday told a Berlin conference of Chinese and East European freedom aspirants that the East European upheavals clearly foreshadow the collapse of the Chinese Communist regime.

Mah was invited by its two sponsor-organizers, the Federation for a Democratic China and New Forum of East Germany, to attend the conference in East Berlin from April 21 to 23. Representatives of Democratic Now, the Initiative for Peace and Human Rights, Civic

Forum, Solidarity and other organizations also joined the three-day discussions over "East Europe and China in Transition—Past, Present and Future."

Referring to recent developments in Europe and in Mainland China, Mah said: "The democratization happened in Eastern Europe greatly encouraged us and strengthens our confidence that we will eventually prevail."

He said that the experience of Eastern Europe also indicates that if and when Mainland China follows these East European countries to abandon communism and to seek fundamental changes of the system, it will face all sorts of problems. Free China can help mainland China to achieve democratization and prosperity by contributing Taiwan's experience, large numbers of technological talents, financial means and economic strength.

Economic Situation Ternaed 'Better Than Average'

OW2304005490 Taipei CNA in English 0355 GMT
20 Apr 90

[Text] Taipei, April 20 (CNA)—The Republic of China's [ROC's] economic situation is better than average compared with that of major industrialized nations, according to April's world dynamic economic indicators.

The nation's economic growth rate is 7.18 percent, better than that of the United States (3 percent), Japan (4.9 percent), West Germany (4 percent), and South Korea (6.7 percent).

The consumer price index is up 2.8 percent compared with the same period last year, far less than that of the United States (5.4 percent), Japan (3.6 percent) and South Korea (7.1 percent).

The Council for Economic Planning and Development [CEPD]-released world dynamic economic indicators based on the global economic situation of April 12 found that Taiwan's economic performance was relatively good compared to current economic situations in other countries.

While the ROC is still experiencing relatively moderate economic growth, its inflation rate has been controlled more effectively than that in other countries, CEPD officials said.

Wholesale prices in Taiwan in the first quarter of this year fell 3.9 percent compared to those of the same period last year. In the United States, wholesale prices rose 3.9 percent; in Japan, up 3.5 percent; in West Germany, up 1.7 percent; and in South Korea, up 1.9 percent.

Exports to Southeast Asia Growing Rapidly

OW2304051590 Taipei CNA in English 0246 GMT
23 Apr 90

[Text] Taipei, April 23 (CNA)—Republic of China [ROC] exports to Southeast Asia are growing rapidly this

year and the region has already become the world's second largest market for this country, outstripping Europe, according to the Board of Foreign Trade [BOFT].

An analysis by BOFT showed that in the first quarter of 1990, ROC exports to Southeast Asian countries totaled 3.07 billion U.S. dollars, or 20.2 percent of total export value, second only to the 33.5 percent exported to the U.S., and significantly larger than the 18.2 percent exported to Europe.

When the 16.4 percent growth rate is compared with the same quarter of 1989, Southeast Asia was the market with the most rapid growth for ROC exports.

The board said that in the quarter, exports to Singapore, Malaysia, Thailand and Indonesia, all kept their high growth rates, with ROC exports to Malaysia growing 57.1 percent, the highest of all ROC trade partners.

ROC investment to the Southeast Asian region will now help stimulate exports to that region, the board added.

Foreign Firms Offer Help With Satellite

OW2104064590 Taipei CNA in English 0242 GMT 21 Apr 90

[Text] Taipei, April 21 (CNA)—Thirty foreign satellite manufacturers have expressed interest in providing the Republic of China [ROC] with technology to help the nation develop its scientific satellite project, an official of the National Science Council said Friday.

Hu Chin-piao, head of NSC's Satellite Promotion Group, said that the nation's plan to orbit a satellite had drawn wide international attention. Some 20 foreign manufacturers had contacted NSC by the end of February to express their interest, and the number of foreign manufacturers willing to provide the ROC with satellite technology had since increased to 30.

Industries To Be Restricted From Moving Abroad

OW2104060490 Taipei CNA in English 0234 GMT 21 Feb 90

[Text] Taipei, April 21 (CNA)—The Economics Ministry decided Friday to formulate a package of precautionary measures to prevent major Republic of China industries from moving abroad, Vice Economics Minister Wang Chien-Shien said.

The government, of course, did not want to see industries significant to the nation's economy pack up and leave, Wang told reporters after a ministry meeting.

The ranking official admitted that it would be difficult for the government to stop those enterprises wishing to leave as they could easily remit their money abroad since foreign exchange controls were largely eased in 1987.

But, he said, "we cannot just sit and watch them leave. We should at least study if there is anything we can do."

The outspoken vice minister also said the ministry would work to encourage local enterprises to retain their bases in the country while investing in other countries.

As local enterprises increased their overseas investment, they should still keep their headquarters and research and development centers here, Wang said.

A responsible enterprise should not see the country as only a place to make money and leave once they have filled their pockets, he said.

Official Calls for Venture Capital Investments

OW2104062290 Taipei CNA in English 0241 GMT 21 Apr 90

[Text] Taipei, April 21 (CNA)—An investment official Friday urged local venture capital companies to increase investments here as their foreign competitors were ready to make inroads into Taiwan.

Many foreign venture capital companies have started to promote business in Taiwan, a sign that they have noted the potential of the Taiwan market, the official said.

At present, there are only 14 venture capital companies in Taiwan with capital worth 300 million U.S. dollars, but the figure is expected to reach 900 million U.S. dollars before the end of 1990.

Singapore Interior Minister Arrives 22 April

OW2304015890 Taipei CNA in English 1522 GMT 22 Apr 90

[Text] Chiang Kai-shek International Airport, Taoyuan, April 22 (CNA)—Singapore Minister for Law and Home Affairs S. Jayakumar arrived here Sunday for an official visit. While here, he will call on government officials and observe the internal governance of the Republic of China [ROC].

Upon arrival at the airport, Jayakumar and his entourage of six were greeted by ROC Interior Minister Hsu Shui-teh, and the new ROC representative to Singapore, Chen Yu-chu.

Minister Jayakumar said he would take this valuable opportunity to observe the ROC's interior governance for use in developing his own country.

Panamanian President To Visit in May

OW2404053090 Taipei CNA in English 0317 GMT 24 Apr 90

[Text] Panama City, April 22 (CNA)—Panamanian President Guillermo Endara will visit the Republic of China [ROC] in May, Panamanian newspapers reported Sunday.

The newspapers said that President Endara revealed last Thursday when inaugurating the Coffee and Flower Fair being held in Boquete, Chiriqui Province, western

Panama, that he would visit the ROC in May at the invitation of the ROC Government.

Endara did not specify the exact date of his trip to Taipei. ROC Ambassador in Panama Soong Chang-chih said earlier this month that Endara would participate in the inauguration of the ROC President and Vice President to be held on May 20.

Before coming to ROC, he will visit Nicaragua, the United States and Costa Rica.

Cooperation With Dominican Republic Approved

OW2104115190 Taipei CNA in English 1452 GMT
19 Apr 90

[Text] Taipei, April 15 (CNA)—The cabinet approved the extension of the ROC-Dominican Republic [Republic of China-Dominican Republic] small-sized hydroelectric power plant technical cooperation pact for another two years.

The Ministry of Foreign Affairs said that the pact was first signed on Aug. 14, 1981 for one year and both parties have exchanged the notes several times to extend its effective period until Aug. 13, 1990.

The Dominican Republic asked the ROC on Feb. 28, 1990 to extend the pact for another two years to help the Dominican Republic develop small hydroelectric power projects, the Foreign Ministry said.

In order to enhance bilateral ties between the two countries, the Foreign Ministry has authorized the Republic of China Embassy in Santo Domingo to extend the pact for another two years until March 8, 1992. Under the agreement, the ROC will continue to send experts to help that Central American country develop hydroelectric projects, the ministry said.

Cabinet Approves Agriculture Pact With Bahamas

OW2104115290 Taipei CNA in English 1545 GMT
19 Apr 90

[Text] Taipei, April 19 (CNA)—The Executive Yuan Thursday approved an agricultural technology cooperation agreement signed in March between the Republic of China [ROC] and the Bahamas.

The ROC and the Bahamas established diplomatic relations on Jan. 10, 1989. The agreement was signed by Chang Ping-nan, ROC ambassador to the Bahamas, and the Bahamas foreign minister in Nassau, Bahamas capital. The agreement will be effective for two years.

The Government of the ROC has agreed to send an agricultural technology team to the Bahamas to assist the Central American nation establish research and development organizations.

Talks With Dutch Business Leaders Begin

OW2404053390 Taipei CNA in English 0313 GMT
24 Apr 90

[Text] The Hague, Holland, April 23 (CNA)—The 63-member delegation of the Republic of China [ROC] started economic cooperation talks with Dutch business leaders in The Hague Monday by holding a series of seminars and meetings to promote bilateral ties between the two countries.

The ROC delegation, led by Willington Y. Tsao, chairman of the Euro-Asia Trade Organization, was divided into five groups representing different interests in banking, industry, agriculture, environment, and medical technology.

Tsao and some senior executives of ROC state-run enterprises also made courtesy calls Monday morning on the Dutch Foreign Trade Agency, and the Directorate General of Foreign Economic Relations at the Netherlands' Economics Ministry. Tsao said that he was deeply impressed by the warm greeting and sincerity demonstrated by the Dutch side.

The City Council of Amsterdam will host an evening reception at the City Hall Monday in honor of the ROC delegation which is then scheduled to attend theatre and music concert invited by Amsterdam Mayor J. van Duin.

The Eighth ROC-Dutch Joint Business Council meeting will open at the Holland Trade House in downtown of The Hague Tuesday with the main topics focusing on two-way investment and trade policy of the ROC on Taiwan and the Netherlands, an industrial country.

Hong Kong

Panel Concerned About Most-Favored-Nation Status

HK2404095990 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0822 GMT 23 Apr 90

[Report by journalist Zhao Yuanguang (6392 6678 0342): "The Standing Panel on Trade and Industry of the Office of Members of the Executive and Legislative Councils Is Concerned About Two New U.S. Bills, Will Study and Discuss Countermeasures With Hong Kong Government Officials"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 23 Apr (ZHONGGUO TONGXUN SHE)—Ngai Shiu-kit, Hong Kong legislative councillor and convener of the standing panel on trade and industry of the Office of Members of the Executive and Legislative Councils, said that the panel was extremely concerned about the new bills introduced in the U.S. Congress regarding the abolition of China's most-favored-nation status and the comprehensive restriction of foreign textile imports, and that the panel had decided to hold a meeting with Hong Kong trade and industry officials in a day or two to acquire an understanding of the latest situation and urge the Hong Kong Government departments concerned to pay close attention to the development of the issue, so that countermeasures could be sought in a timely manner.

In a special interview with our journalist, Mr. Ngai said that U.S. abolition of China's most-favored-nation status and China's probable retaliatory action would cause a major recession in Sino-U.S. trade ties and overall relations. Not only would China's interests be adversely affected, but also U.S. interests would be damaged. Mr. Ngai said that as the market situations of these two countries were of crucial significance to Hong Kong, a major recession in U.S.-China trade ties and overall relations would cause serious misfortunes to befall Hong Kong's trade, monetary, shipping, and manufacturing sectors and would result in incalculable direct and indirect losses.

Regarding the new bill put forward by certain U.S. congressmen for the comprehensive restriction of foreign textile imports, Mr. Ngai felt that the bill's purpose was to bring pressure to bear on the Bush administration to protect the interests of U.S. textile manufacturers in the Uruguay Round of multilateral trade negotiations. According to Mr. Ngai, the bill, if passed, would surely render protectionism more blatant than ever, and it was highly unlikely that Hong Kong would be able to avoid becoming one of its first victims. As textiles were the largest category of Hong Kong exports, and as the United States was the largest export market of Hong Kong's textiles, the territory would be severely impacted by the bill.

Mr. Ngai said that Hong Kong had always practiced free trade, and that the territory's phenomenal consumption of U.S. Sunkist oranges and French brandy was sufficient indication of its absence of trade restrictions. It

would be unfair if Hong Kong were to suffer losses due to the United States' imposition of sanctions on China and its comprehensive restriction of textile imports. Mr. Ngai believed that U.S. public and private sectors would sympathize with and understand Hong Kong's standpoint and situation. He hoped the United States would adopt a cautious and cool-headed approach in dealing with Sino-U.S. relations.

At the same time, Mr. Ngai pointed out that while it was improbable that the aforesaid two bills would be passed and implemented, Hong Kong should not be careless about them all the same. The territory should keep a close eye on the development of the matter and adopt preventive measures accordingly. He said that if necessary, the standing panel on trade and industry of the Office of Members of the Executive and Legislative Councils would form a delegation to go to the United States to explain Hong Kong's trade policy and position and to lobby support for the territory.

UK Nationality Bill Would Curb Brain Drain

HK2204040090 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 22 Apr 90 p 2

[By Iris Lee]

[Text] The British nationality scheme would help curb the brain drain and encourage Hong Kong people to remain in the territory, said chief secretary, Sir David Ford.

Sir David said that the nationality package was meant to maintain stability and prosperity by allowing key people to remain in the territory and contribute to its future.

"In the years ahead, we know that people are leaving not because they want to, but to have an insurance policy for the future," he said at Kai Tak after a six-day visit to Japan.

He said the passport scheme was a practical way to deal with the problem and meant to encourage people to stay.

"In order to deal with the problem, we have to try to devise practical ways we can go with; a practical way to deal with a practical problem; and the United Kingdom approach to this is to offer those people a practical alternative to leaving Hong Kong by remaining in Hong Kong with a British passport.

Senior executive councillor, Dame Lydia Dunn, who returned last night from a trade visit to Seoul, said she hoped that Beijing would understand that the scheme was meant to keep Hong Kong people in territory.

"I sincerely hope the Chinese Government can understand that the Nationality Bill is not meant to persuade Hong Kong people to leave, but to restore their confidence in staying," Dame Lydia said.

Zhang Junsheng Comments on Nationality Package

HK2304014590 Hong Kong SOUTH CHINA
MORNING POST in English 23 Apr 90 p 3

[By Daphne Cheng]

[Text] China will not listen to explanations by either Britain or Hong Kong on the nationality package, the deputy director of the local New China News Agency [NCNA] Mr Zhang Junsheng, said yesterday.

Mr Zhang said China would not change its stance even though the director of administration, Mr Donald Tsang Yam-kuen, said on Friday the Hong Kong Government would explain the background to the nationality package to the Chinese.

Mr Zhang said: "It's not a question of explaining or not. Our stance has been made known." China has consistently warned it would not accept Britain unilaterally changing the nationality of some Hong Kong Chinese citizens.

Mr Zhang said the question of Hong Kong people's nationality had to be resolved according to the Sino-British Joint Declaration.

"The Joint Declaration has been clear on the question of Hong Kong compatriots' nationality. It (the nationality package) was actually an attempt to allow British nationals to run Hong Kong after 1997," he said.

On Friday the NCNA issued a strongly-worded statement denouncing the nationality package, which passed its second reading in the House of Commons, as being divisive and counter productive.

It also noted that the Chinese memorandum in the Joint Declaration states that all Hong Kong Chinese, irrespective of whether they are British Dependent Territory Citizens passport holders, are Chinese nationals.

UK Passport for Police Force Members Assured

HK2404033990 Hong Kong SOUTH CHINA
MORNING POST in English 24 Apr 90 pp 1, 2

[By Shirley Yam]

[Text] An internal police memorandum has assured rank and file officers in the force that they will not have to compete with their seniors for British passports allocated to the disciplined services, under Whitehall's nationality package for Hong Kong.

The officers were also informed that about one in every seven police constables and sergeants who applied would succeed.

The internal memorandum, issued by Commissioner of Police Mr Li Kwan-ha, had been circulated last week to inform officers that a sub-quota system would be worked out for the force.

Mr Li said the number of passports to be allocated to various ranks within the police department would be in proportion to the establishment sizes of each of the ranks.

Of the 50,000 passports on offer under the British Nationality (Hong Kong) Bill 1990, a total of 7,000 have been set aside for the disciplined services.

The police force will have to share the quota with the fire services, customs and excise, correctional services, auxiliary air force, operation divisions of the Independent Commission Against Corruption, and uniformed members of the garrison.

The one-page document did not specify how many of the 7,000 places would go to the police force.

But it assures the junior officers that: "It will be a competition among officers of the same rank."

The explanatory note of the nationality bill only says the passports for the disciplined services officers will be distributed according to an 800-point qualifying scale.

The memorandum goes a step further to tell the staff that sub-quotas will first be assigned to different ranks before officers of the same level will be vetted in accordance with the points system.

Some junior officers had been concerned that they would lose out to their senior colleagues in terms of education, experience and language skills if they had to compete for the same batch of passports.

The combined strength of the local disciplinary services is estimated at 50,000, of which about 23,000 are police officers.

Latest police statistics show there are 18,623 police constables, 4,268 sergeants, and 1,887 inspectors and senior inspectors.

But police staff association leaders considered the memorandum only as a measure to boost morale among junior police officers who had been under the impression they had not been adequately taken care of by the right of abode scheme.

The document tells junior-ranking officers not to worry about their competitiveness because officers to benefit from the scheme would not be restricted to senior police officials.

Association leaders, however, dismissed the promise as meaningless because no one would be able to monitor whether the government had kept its words due to the confidentiality of the whole scheme.

One of them confirmed that he had read the memorandum.

Joint Liaison Group To Discuss Telecommunications*HK2304014990 Hong Kong SOUTH CHINA
MORNING POST in English 23 Apr 90 p 5*

[By Fanny Wong]

[Text] The Sino-British Joint Liaison Group (JLG) meets in Beijing today after a five-month break to discuss transitional matters for Hong Kong, including telecommunications-related subjects.

Hong Kong's future participation in international organisations and localisation of laws will be discussed by the JLG's expert groups.

It is the first time that telecommunications has been on the agenda of the diplomatic body's expert sessions.

Miss Sally Wong Pikyee, the Economic Services Branch's principal assistant secretary and Mr Robin Mcleish, assistant secretary responsible for the subject, will attend the meeting.

Responsible for the territory's telecommunications policy, the pair will provide technical support to the British expert team leader, Dr Fred Burrows, Law Officer (International Law).

Others attending the session include Mr Bart Ireland, principal assistant secretary for constitutional affairs and Miss Shelagh Brooks, assistant principal Crown counsel (international law).

Members of the expert group left for Beijing yesterday, while the diplomatic body's full session will begin tomorrow.

The two sides are expected to agree to set up an expert sub-group to work out details for the establishment of Hong Kong's future Final Court of Appeal.

Defence matters are also likely to be discussed.

The secretary for constitutional affairs, Mr Michael Suen Ming-yeung, will make his first appearance at the meeting as a new member of the British team.

Led by Mr Tony Galsworthy, the British team also comprises Mr Doug Martin, Mr William Ehrman and Mr Allen Paul.

Association To Attend Trade Fair in Vietnam*OW2304011690 Beijing XINHUA in English
1426 GMT 20 Apr 90*

[Text] Hong Kong, April 20 (XINHUA)—The Chinese Manufacturers' Association of Hong Kong (CMA) will participate in the Quang Trung Trade Fair held in Ho Chi Ming City in Vietnam later this month.

The Hong Kong Trade Development Council (TDC) will support the CMA's initiative by mounting a promotional stand at the fair, according to a TDC spokesman.

The fair, from April 28 to May 7, is an international fair for machinery, industrial supplies as well as consumer goods. It is a biannual event held in spring and autumn.

This is the first trade event in Vietnam in which the TDC has been involved, according to the spokesman.

With a population of 65 million, Vietnam is now Hong Kong's 16th largest export market in Asia.

In 1989, the country imported from Hong Kong varieties of goods valued at 21.5 billion H.K. dollars (2.75 billion U.S. dollars). Major imports were machinery, semi-manufactured and raw materials, while consumer goods accounted for about 20 percent of total import.

Hong Kong's domestic exports to Vietnam have doubled from 27 million H.K. dollars (3.46 million U.S. dollars) in 1986 to 51 million H.K. dollars (6.54 million U.S. dollars) in 1989. After growing by 18 percent in value last year, they surged 89 percent in January 1990 compared with same month in 1989.

Hong Kong companies have also pledged 210 million H.K. dollars (26.9 million U.S. dollars) towards 25 joint ventures projects in Vietnam, involving tourist development, light manufacturing and food processing.

Knitwear Firms Contest U.S. Charges of Dumping*HK2204033690 Hong Kong SOUTH CHINA
SUNDAY MORNING POST (SUNDAY MONEY)
in English 22 Apr 90 p 1*

[By Jeremy Grant]

[Text] Hong Kong knitwear associations have said that four of their members accused of dumping sweaters in the U.S. are preparing to fight the issue in the U.S. courts.

A preliminary ruling is expected from the Department of Commerce tomorrow on whether the four Hong Kong textile manufacturers have cut prices on sweaters exported to the U.S. in order to gain a competitive advantage.

"We are ready to take legal action," said Mr Eddie Lu, vice-chairman of the anti-dumping committee set up by Hong Kong Knitwear Exporters, Manufacturers Association (HKEMA), and Hong Kong Woollen and Synthetic Knitting Association.

A final decision is due in mid-August under a separate investigation by the U.S. International Trade Commission (ITC), when the issue of definitive guilt will be established by calculating how much, if any, economic damage the dumping has inflicted on U.S. manufacturers.

But if tomorrow's ruling goes against the four firms, they would still face penalties in the form of duties that would be refundable if the preliminary decision were to be reversed by ITC findings, according to Mr Lu.

The four firms are Laws Fashion Knitters, Comitex Knitters, Crystal Knitters and Prosperity Knitters.

Mr Lu was confident none of the four were dumping cheap sweaters on the U.S. market. "There's no dumping. I believe all four firms have clear accounts, but the Americans may have different ideas," he said.

He added, however, that the associations he represented did not have the power to investigate individual firms' accounts. "Every company has its secrets," he said.

The two associations have hired Washington lawyers Grunfeld, Desiderio, Lebowitz and Silverman to advise them on lobbying the Hong Kong case in the U.S. However, he said that it was up to the textile firms themselves to take appropriate legal action should the need arise.

He confirmed that the four textile companies concerned had also hired U.S.-based lawyers.

The assistant director general of the Hong Kong Government's trade department, Mr Christopher Jackson, said he believed there were "biases" in the system which the Department of Commerce used to calculate what constituted dumping. "If you sell a consignment to the U.S. and to a third country of comparable sweaters, and if you sell them cheaper to the other country, you are regarded (by the U.S.) as dumping.

"In fact there may be good reasons to sell more cheaply, for instance for bigger orders where there are discounts," he said.

He said the bias extended to the way in which the U.S. calculated alleged price discounting.

On Friday, U.S. knitwear manufacturers said they were confident the Hong Kong companies would be found guilty.

The allegations against the four Hong Kong companies are part of an investigation by the Department of Commerce into similar dumping practices by Taiwan and South Korea.

Local PRC Officials Snub New Liberal Party

HK2404034390 Hong Kong SOUTH CHINA
MORNING POST in English 24 Apr 90 p 6

[By Belette Lee]

[Text] Officials from both the Hong Kong Government and the Chinese Government snubbed the liberal political party's inauguration ceremony yesterday.

Despite official invitations from the United Democrats of Hong Kong, none of them showed up at the group's reception at the City Hall exhibition centre last night.

The vice-chairman of the party, Mr Yeung Sum, said they had received a written reply from Mr Zhang Junsheng, the vice-director of the New China News Agency (NCNA), China's de facto embassy in Hong Kong, declining the invitation without giving any reason.

The NCNA response came as a disappointment to the United Democrats, who are eager to establish a working relation with China.

Although the governor, Sir David Wilson, earlier urged local people to take an active role in Hong Kong's future elections, no senior civil servants accepted the party's invitation.

Mr Yeung said they had only received written replies from the governor, Sir David Wilson, and the chief secretary, Sir David Ford. But they did not say why they would not attend the gathering.

The secretary for constitutional affairs, Mr Michael Suen Ming-yeung, told the group he would be in Beijing attending Sino-British Joint Liaison Group meetings.

The party's chairman, Mr Martin Lee Chu-ming, said the rejections were expected in light of the current political situation.

"Our party is just at an initial stage and is not easy to be accepted by all. But with time, I hope, the Chinese and British governments will realise that we are working for the well-being of Hong Kong," Mr Lee said.

The legislative councillor said he believed the officials would attend their gathering next year when they recognised their sincerity.

"The NCNA may be prejudiced against us, but I am confident our relations can be, and must be, improved," Mr Lee said.

Party member, Mr Szeto Wah, was also optimistic that China's attitude towards local liberals would change.

Mr Lee said the United Democrats had yet to work out plans to restore friendly terms with the NCNA, saying that these would be started by indirect contacts.

Apart from Mr Szeto and Mr Lee, only four of the 250 guests attending the function were legislative councillors.

They were Mrs So Chau Yim-ping, Dr Leong Che-hung, Miss Leung Wai-tung and Mr Chan Ying-lun.

Mr Lee admitted that some of his Legco colleagues were absent because of the existing political climate.

Mr Lee said the party would participate in the 1991 elections to the legislative council, the district boards and the two municipal councils.

Mr Lee said he was delighted to hear that the pro-Chinese Federation of Trade Unions (FTU) would contest the polls.

Their participation, he said, offered more choices for voters and would be conducive to the development of Hong Kong.

Despite the federation's pro-Chinese outlook, Mr Lee was not worried about the penetration of Chinese authorities into local politics.

"Most FTU members are Hong Kong citizens. They share the same aim with the United Democrats to build a democratic system in Hong Kong through direct elections," Mr Lee said.

Uncertain Support for Airport, Port Projects

HK2004021590 Hong Kong SOUTH CHINA
MORNING POST in English 20 Apr 90 p 3

[By Tad Stoner]

[Text] China has failed to give crucial financial and political support to Hong Kong's port and airport development, the financial secretary, Sir Piers Jacobs, said yesterday.

Sir Piers indicated the project could be derailed without Beijing's help, saying Hong Kong would be reluctant to go ahead without Chinese support.

He said he had repeatedly briefed the Chinese on the broad outlines of the project but had met little response, particularly in a meeting last week with Mr Guo Fengmin, the Chinese leader of the Joint Liaison Group.

"We talked in very general terms," Sir Piers said. "They are seeking more information."

"We have supplied information to XINHUA [New China News Agency], but I don't know if they have sent it to Beijing.

"We are putting more together and entering a dialogue with them."

Asked whether a longterm refusal by Beijing to support the project could derail it entirely, Sir Piers said: "I can't answer. It's too hypothetical, but we've got to go ahead."

He said, however, that while Hong Kong's \$7 billion financial reserves could fund most of the development, the government would be reluctant to do it alone.

"At a pinch, we could build out of our own reserves, but that's not satisfactory.

"We'd prefer a prudent mix of debt and equity, which would be more in the interests of Hong Kong," Sir Piers said.

"We need Chinese support—it's necessary. It's an international airport on the sovereign territory of China.

"They want figures that support that the project is viable, commercially attractive and is a good airport.

"Their main worry is whether we can actually afford it and they're worried about its economic and financial viability.

"We can satisfy them on that, so there's no reason why they shouldn't support it," he said.

But he acknowledged that of the 700 expressions of interest in the project received by the government, those from the People's Republic had been "minor rather than major."

Sir Piers said the response was to be expected in the absence of any official policy from the country's government.

On December 14, however, Treasury Secretary Mr Hamish Macleod told a group of German businessmen that he expected Chinese companies to participate in the project regardless of official policy.

In January, Chinese prime minister, Mr Li Peng, told the governor, Sir David Wilson, that Beijing would not contribute financially to the project, and that the plans should be tailored "according to their resources."

In February, two banks, Indosuez Asia and Standard Chartered Asia, said without Chinese support, the cost of the project would be increased and the schedule delayed.

Meanwhile, the Central and Western District Board yesterday urged the Government to keep it and residents affected by the airport project fully informed of developments.

The findings of a government-commissioned feasibility study are expected to be ready at the end of the year.

Residents Snap Up Copies of Basic Law

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1509 GMT 18 Apr 90

[Text] Hong Kong, April 18 (XINHUA)—All the 400,000 copies of the Hong Kong Basic Law have been snapped up by the public in less than a week.

An additional 50,000 copies are made available today to meet the high demand.

The Secretariat of the Basic Law Consultative Committee said a request for a further 50,000 copies was made by three major banks—the Hongkong Bank, the Bank of China, and Heng Seng Bank—before the Easter holidays.

The banks are acting as distributors of copies of the mini-constitution.

At the main office of the Hongkong Bank last Thursday, each person was restricted to four copies.

The Secretariat said it will continue to monitor the demand until Sunday when the office intends to summarize its activities.

It also said that organizations which required more copies could contact the office which will attempt to make them available.

About half of the 50,000 copies are in Chinese and the other half in English. The first batch was made available on April 10.

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